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# Southeast Asia Report

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15 February 1985

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CAMBODIA

FOREIGN LEADERS SEND NATIONAL DAY GREETINGS

BK250726 Phnom Penh SPK in English 1114 GMT 24 Jan 85

[Text] Phnom Penh, SPK, January 24--Kampuchean leaders have received messages of greetings from abroad on the sixth national day of the People's Republic of Kampuchea (January 7).

Ethiopia's message signed by Mengistu Mariam, general secretary of the Workers' Party of Ethiopia and president of the Provisional Military Administrative Council, and addressed to President Heng Samrin, reads: "We closely follow the relentless, heroic struggle of the fraternal Kampuchean people against sabotage and interference from without. I am convinced that under the clearsighted leadership of the KPRP, the courageous Kampuchean people will bring in more successes in building a prosperous, socialist society."

The message further says: "I note with satisfaction that the existing (?ties) of the warmest friendship and cooperation between our two countries on the basis of proletarian internationalism will further develop and strengthen in the interests of our two peoples and the progressive forces in the world."

The message also wishes President Heng Samrin the best of health and the fraternal Kampuchean people peace and social progress.

President Heng Samrin has also received a message from Didier Ratsiraka, president of the Democratic Republic of Madagascar.

The message notably says: On behalf of the Supreme Council of the Revolution, the government and the people of the Democratic Republic of Madagascar and in my own name, I wish you happiness and the Kampuchean people prosperity.

On the same occasion, Foreign Minister Hun Sen has received greetings from 'Abd al-'Aziz ad-Dali, foreign minister of the People's Democratic Republic of Yemen.

More messages of greetings on the occasion were sent from the Socialist Party of Mexico Central Committee, the Mongolian General Council of Trade Unions, the Central Council of Trade Unions of the Soviet Union, and the World Federation of Youth Union.

CSO: 4200/461

CAMBODIA

**CHAN VEN, SOY KEO MAKE TET VISIT TO KOH KONG**

BK241335 Phnom Penh SPK in English 1104 GMT 24 Jan 85

[Text] Phnom Penh, SPK, January 24--Delegations of the National Council of the United Front for construction and Defence of the Kampuchean Fatherland, the Defence Ministry, and mass organizations have visited Kampuchean coast guards and Vietnamese army volunteers in Koh Kong Province, on the occasion of the Vietnamese lunar new year.

The delegations were respectively led by Chan Ven, general secretary of the State Council and vice chairman of the Front National Council; Men Chhan, vice chairman of the Front National Council; and Soy Keo, deputy minister of national defence.

Chan Ven warmly praised the development of the ties of solidarity, friendship and cooperation between Kampuchea and Vietnam. He wholeheartedly thanked the Vietnamese Army volunteers for their devotion to the just cause of Kampuchean people.

Chan Ven and the other callers wished the Vietnamese combatants good health and greater successes in their noble tasks, and asked them to convey their good wishes to their families back at home.

CSO: 4200/461

CAMBODIA

HENG SAMRIN, HUN SEN GREET INDIAN COUNTERPARTS

BK261501 Phnom Penh SPK in English 1134 GMT 26 Jan 85

[Text] Phnom Penh, SPK, January 26--Kampuchean leaders have sent greetings to their Indian counterparts on the 35th anniversary of the Republic of India.

President Heng Samrin's message to President H.E. Giani Zail Singh reads: "We greatly value the achievements obtained by the Indian people over the past years and the increasing prestige of the Republic of India, under your excellency's leadership, in the international arena, especially in the non-aligned movement. We are pleased that the relations of friendship and cooperation between our two countries are gaining momentum every day."

The message further says: "The assistance provided by the government and the people of the Republic of India is an important contribution to the Kampuchean people's efforts in restoring and building their country and in eliminating the unfortunate consequences of the Pol Pot genocidal regime. The government and the people of Kampuchea will never forget the sincere sympathy of the Indian Government and people, and strongly believe that no enemy can break the long-lasting relations between our two governments and peoples."

Premier and Foreign Minister Hun Sen says in his message to his Indian counterpart, Rajiv Gandhi, "We highly appreciate the political line and the just leadership of the Government of India which, headed by your excellency, is keeping strictly to the sacred path charted by the late Prime Minister Indira Gandhi, a heroic woman respected and beloved by the Indian people.

"We are convinced that under your excellency's leadership the Indian people will defeat any divisive move of the imperialists and other reactionaries from outside and will further strengthen the solidarity and unity among themselves and with the countries in the region and in the non-aligned family."

The message wishes the bonds of traditional friendship and cooperation between the two governments and peoples further development for the benefit of the two countries and of peace and stability in Asia and the world at large.

CSO: 4200/461

CAMBODIA

BRIEFS

**STROUGAL'S CONGRATULATIONS**--Phnom Penh, 26 Jan (SPK)--Lubomir Strougal, chairman of the Council of Ministers of the CSSR, sent warm congratulations to Hun Sen on his election to the post of chairman of the Council of Ministers of the People's Republic of Kampuchea [PRK]. The message notably says: I would like to take this opportunity to express my firm conviction that the relations of fraternal friendship and fruitful cooperation between the CSSR and the PRK will continue to strengthen and deepen in the interests of our two peoples and of peace and socialism in the world. I wish you, dear comrade, as well as the whole Cambodian people, new successes in the implementation of the Fourth Kampuchean People's Revolutionary Party Congress resolutions and in the construction of a new society in your fatherland. [Text] [Phnom Penh SPK in French 0422 GMT 26 Jan 85]

**HUN SEN RECEIVES CONGRATULATIONS**--Phnom Penh, 27 Jan (SPK)--Hun Sen has received from many of his counterparts warm congratulations on his election to the post of chairman of the PRK Council of Ministers. In his message, Adil Carcani, chairman of the Council of Ministers of the People's Socialist Republic of Albania, voiced his belief that the relations of friendship existing between the peoples of the two countries will steadily strengthen and develop in their common interests. For his part, Grisha Filipov, chairman of the Council of Ministers of the People's Republic of Bulgaria, wished Hun Sen good health and success in the discharge of his noble tasks. In his message, Mongolian Prime Minister Dumaagiyyn Sodnom voiced satisfaction with the harmonious development of the fraternal relations between the two countries and extended to Hun Sen his best wishes for happiness and success in his work for the prosperity of the PRK. [Text] [Phnom Penh SPK in French 0403 GMT 27 Jan 85]

**'MISLED PEOPLE' RETURN**--Phnom Penh, SPK, 22 Jan--Despite natural calamities, Kratie Province, 200 km northeast of Phnom Penh, last year made considerable progress in all fields. About 200 misled people reported themselves to the revolutionary authorities, bringing with them 34 guns and a large quantity of ammunition. In agriculture, Kratie put 27,000 ha under crops, including 17,200 ha of rice. The cultivation of maize increased by 17 percent over 1983, and tobacco, by seven percent above the plan. The number of bovines was up by four percent over 1983. Trade, industry and handicraft in the province were also developed. In education, Kratie now has 46,342 students of all levels. [Text] [Phnom Penh SPK in English 1102 GMT 22 Jan 85]

PEACE DELEGATION TO MOSCOW--Phnom Penh, SPK, 22 Jan--A delegation of the Kampuchean Peace Committee [KPC] left Phnom Penh Monday to attend the national conference of Soviet peace partisans to be held on January 23, in Moscow. The delegation was led by Sok An, general secretary of the KPC. [Text] [Phnom Penh SPK in English 1110 GMT 22 Jan 85 BK]

CSO: 4200/461

INDONESIA

MORE ABOUT NEW RIFT IN UNITED DEVELOPMENT PARTY

Syarifuddin Supports Second PPP Congress

Jakarta MERDEKA in Indonesian 13 Dec 84 pp 1, 12

[Text] Syarifuddin Harahap, member of Parliament from the United Development Faction (FPP) and deputy chairman of the executive council of the United Development Party (MPP-PPP), asked members of the Nahdlatul Ulama (NU) [Muslim Scholars Party] in the PPP leadership to support his efforts to hold a second PPP congress, a MERDEKA correspondent reported.

Syarifuddin has clearly been trying for a month to strip H J. Naro, general chairman of the PPP's DPP [Central Executive Board] of his leadership. After a visit to North Sumatra, Syarifuddin slipped into Situbondo and met with several members of the NU who were in conference.

After returning from Situbondo, he told reporters today in Jakarta that PPP groups in East Java and in North Sumatra had stated their support for the idea of revamping the DPP PPP leadership and for holding a second PPP congress.

"I intend to go to South, Central and North Sulawesi for the same purpose, to explain the situation," he said firmly.

He said that the team for improving the PPP which he had set up in Sulawesi would certainly support him, because Naro's influence was minimal there.

Syarifuddin Harahap, who several years ago took over the leadership of the DPP of the PSII [Indonesian Islamic Union Party] and made himself general chairman of its DPP, said arrogantly, "If an opinion survey is held about Naro and me, qualitatively it would be 90 to 1 for me."

No Doubts

As a result of his visits to North Sumatra and to East Java, he said, NU and SI [Islamic Union] members in those areas had no doubts and supported him in his efforts to revamp the outcome of the first PPP congress and to affirm that the PPP is not an Islamic party.

He said that the PPP improvement and operational control team had drawn up a list of new personnel, 30 percent of them women, for revamping the DPP PPP which emerged from the Ancol meeting of last August.

"We will make the list public between 17 and 20 December," he said.

Repeating the statement he made in Situbondo on Tuesday [11 December], he said that he regretted Naro's attitude belittling the 27th NU congress and his absence from that meeting.

Syarifuddin, who is still listed as an official of the State Secretariat, said that the regional and branch conferences of the PPP, which were purposely made to coincide with the 27th NU congress, were really an effort by the PPP 'boss' to push aside the NU members in the DPW [Regional Executive Board] and the DPC [Branch Executive Board] of the PPP.

"This is a trick and an effort to put non-NU members loyal to Naro in those positions," he said.

Syarifuddin, who rarely came to the Parliament building in Senayan between 1977 and 1983, also said that the first PPP congress held in Ancol was a political scandal because the trust placed in the hands of the general chairman, as the person responsible for the congress, was misused to come up with a decision contrary to the party's constitution.

Syarifuddin told reporters in Situbondo that holding the 27th NU congress meant that the NU had become aware of its internal conflicts and had ended them because it 'had been used by the PPP's boss' for his personal gain.

Syarifuddin Harahap was accompanied to Situbondo by Datuk Radjuapi, Achda and Daniel Tanjung. While there he conferred with Dahrif Nasution and Nuddin Lubis.

#### Syarifuddin, Achda Expelled

Jakarta KOMPAS in Indonesian 18 Dec 84 pp 1, 8

[Text] The chairman of the executive council expressed his regrets about the decision of the DPP of the United Development Party (PPP) to expell Drs Syarifuddin Harahap and Drs H B Tamam Achda. "In the eyes of the community their performance was just not good enough," said H Imam Sofwan, chairman of the MPP-PPP.

He stated this opinion in his office yesterday in response to reporters' questions about the DPP PPP's decision to relieve Drs Syarifuddin Harahap and Drs H M Tamam Achda of their positions as deputy chairman of the MPP and deputy chairman of the department of foreign affairs of the DPP PPP.

In a letter dated 3 December, the DPP expelled Drs Syarifuddin Harahap and Drs H B Tamam Achda from their positions of deputy chairman of the MPP and deputy chairman of the department of foreign affairs and plenary member of the DPP PPP. This decision was signed by Dr H J. Naro SH [Master of Laws] in his capacity as general chairman and by Drs Mardinsyah in his capacity as secretary general of the DPP PPP.

In response to a question from KOMPAS, the secretary general said that copies of the DPP's decision had been sent to all DPW/DPC of the party, to local regional executive councils, to the minister of the interior, to the coordinating minister for the

political and security sector and to DPR [Parliament] leaders.

Mardinsyah said that that decision came out of the mandate received by the full plenary meeting held on 26 November consisting of the DPP, the leaders of the factions and members of the special legislative committee. The meeting agreed unanimously to impose sanctions on Syarifuddin Harahap and Tamam Achda, who, they thought, had broken party discipline. The meeting gave full mandate to the working DPP to decide on the form of the sanctions.

On 30 November the working DPP of the PPP held a meeting. At that meeting the DPP agreed to expel Drs Syarifuddin Harahap and Tamam Achda from their positions as deputy chairman of the MPP and as deputy chairman of the department of foreign affairs of the DPP PPP respectively. Furthermore, this decision was put in the form of a decree on 3 December and signed by H J. Naro, SH, and Drs Mardinsyah.

#### Preamble

When asked about the decision, the chairman of the MPP-PPP was at first reluctant to comment, saying that he had not yet read it. "After I've read it, I'll comment," he responded.

However, after being pressed, this PPP official from Central Java said carefully, "It depends on the preamble, which contains phrases 'warning about' and 'considering' the decision."

Every party member who incurs sanctions has the right to defend himself. At the first level, the person must come and discuss the problem. At the second level, he comes to the organization appropriate to the member's position. At the third level, he gives an explanation via a congress.

Asked if those two young men had really been expelled from their posts, Imam Sofwan concurred regretfully, saying, "In the eyes of the community their performance was not good enough."

But Imam Sofwan then fleshed out his explanation, saying that any decision reached by the DPP was within the rights and authority of the party. "Sanctions can be imposed on any undisciplined member of the party," he said firmly.

Imam Sofwan believes that it is not yet time for a congress to be held and that all differences can be settled in accordance with current regulations.

Imam Sofwan, who is deputy chairman of the FPP [United Development Faction], said firmly that the MPP had sent suggestions to the party's leadership. These suggestions and opinions were sent to each person concerned as well as to the PPP organization.

#### Continued Support

In a separate meeting, Dr H. Imran Kadir, deputy chairman for Wiswasta [membership control department] of the DPP PPP, said that decisions taken at the 27th NU meeting in Situbondo had no influence on the PPP.

People will continue to join the PPP though perhaps fewer from the NU. "Even GOLKAR [Functional Groups Party] members can join the PPP," he explained.

As the basis of his opinion he pointed to the acceptance of PANCASILA [Five Principles of the Nation] as the PPP's sole principle and the one which makes the PPP an open party. "The openness will be good for the PPP," he explained. He said that with this sole principle the PPP will continue to carry out the teachings of Islam and that there is not one word of it which forbids Islamic teachings.

Finishing his statement, Irman Kadir urged the Islamic community not to allow this principle to prevent them from joining the PPP.

#### SI Official Retracts Signature

Jakarta PELITA in Indonesian 19 Dec 84 pp 1, 9

[Text] Drs Djauhari S., secretary general of the executive board of the SI [Islamic Union], withdrew his signature as SI secretary general from the decree issued on 1 December 1984 suspending Drs Syarifuddin Harahap as general chairman of the L.T. [Executive Council] of the SI.

He said that he withdrew his signature consciously and sincerely in devotion to national development, in particular political development based on PANCASILA.

As is known, on 1 December the central executive council of the SI [DPP-SI] issued a decree suspending Drs Syarifuddin Harahap from all his activities as a member and from his position as general chairman of the central executive council and the L.T. SI, until the upcoming 34th judge'scouncil.

This DPP-SI decision was in the form of SK [decree] DPP-SI No 040/KPTS [decision]/DPP/XII/84 signed by Mahdi Tjokroaminoto and H Syaiful Husein, general chairman and secretary of the SI central board respectively, and by Mrs Dra H Syamsinoer Adnoes and Drs Djauhari S., chairman and secretary general respectively of the DPP-SI, executive committee/executive council of the SI.

It was stated in that decree that the unrest in the DPP-PPP, caused by some members of the SI leadership, could lead to a split in the Islamic community and could damage the good relations between the PPP and the SI.

#### Ideological Conflict

After restudying the ideological conflict in the PPP, a conflict which might in turn destabilize national politics, Drs Djauhari S., secretary general of SI's central executive board, affirmed in a press release that the SI, based on its announcement dated 25 March 1983, is an independent organization and has no organizational connection with the PPP.

Djauhari said that he had withdrawn his signature from the decree suspending Drs Syarifuddin Harahap in order to guard the unity and integrity of the SI community all over Indonesia and to guard against actions designed to split the SI.

"On this occasion," said Drs Djauhari, "I wish to express my support for the efforts being made by Drs Syarifuddin Harahap and Drs H B Tamam Achda to correct the course of the PPP so that it does not leave the national political system."

Djauhari then ended his statement by urging all members of the SI who are leaders of the PPP at any level to support unanimously the efforts being made by Syarifuddin and Achda.

9846

CSO:4213/119

INDONESIA

**SAUDI AMBASSADOR ON MUHAMMADIYAH**

Jakarta ANTARA NEWS BULLETIN in English 14 Jan 85 p A1

[Text] Jakarta, 13 Jan (ANTARA)—The ambassador of Saudi Arabia to Indonesia, Sheikh Muhammad Said Basrawi appreciated Muhammadiyah's achievement in propagating Islamic education, teaching Arabic as well as the Koran (Al-Qur'an) in Indonesia.

In his address at the 31st anniversary of Muhammadiyah Institute at Limau, Kebayoran Baru, Jakarta, Saturday he revealed that since its founding in 1912 by late K.H. Ahmad Dahlan, Muhammadiyah had rendered the country many services in propagating Islamic education at all levels based on the system of tradition and general theological view. Such a principle adhered to by Muhammadiyah, he added, was closely in line with what was preached by Muhammad bin Abdulwahab in spreading the Islamic education in Saudi Arabia, where up to now his banners were still prevailing.

**Tightened cooperation**

The ambassador strongly believed that the cooperation between Muhammadiyah and Saudi Arabia through his embassy would run well in all kinds of fields that brought welfare to the Moslems.

The Saudi Arabian ambassador and Muhammadiyah have renewed the agreement on developing Arabic. For this purpose, the ambassador has dispatched several Arabic teachers to the Nurse's School at the Jakarta Islamic Hospital and to the "Mu'allimat" Islamic school in Yogyakarta which is now undergoing a training at the Saudi Arabian embassy-owned Language Teaching Centre, he said.

The ambassador extended his best wishes to Muhammadiyah's coordinators for the success they achieved in stepping up the propagation of Islamic education.

The occasion was also attended by the Religious Minister, H. Munawir Sjadzali and other Muhammadiyah leaders.

CSO: 4200/471

INDONESIA

'IMRAN GROUP' MEMBER'S REQUEST FOR PARDON REJECTED

Jakarta ANTARA NEWS BULLETIN in English 12 Jan 85 p A2

[Text] Bandung, 12 Jan (ANTARA)—The president with a letter dated 9 January has turned down an "Imran" group follower's request for pardon for acts leading to death penalty, the head of the Bandung state court, R. Soebandhi, said here Friday.

With the letter Salman Hafidz (33) will face death execution before a fire squad, Soebandhi said.

Salman Hafidz was sentenced to death by the Bandung state court in 1982 on charges of subversion, attacking Bandung's Cicendo police office which had killed three officers and injured another one to life defect, disseminating conflicts among religious followers, harming the authority of the official government and trying to change the Pancasila state ideology with another ideology.

With his mates who are also Imran group followers Salman has made some killings, torturings and robberies to obtain arms and logistic supplies for the Imran group's struggle for toppling the official government.

Refusing the decision of the Bandung state-court's judges board Salman appealed to the higher court, which to his dismay agreed to the previous decision. Salman, then, appealed to the Supreme Court. This court did not change the verdict. At last he sent a request for presidential pardon.

CSO: 4200/471

INDONESIA

CAUSE OF UNEMPLOYMENT AMONG YOUTH DESCRIBED

Jakarta ANTARA NEWS BULLETIN in English 12 Jan 85 pp A1, A2

[Text] Jakarta, 12 Jan (ANTARA)--The general chairman of FBSI (All Indonesia Federation of Labor), Agus Sudono, has appealed to the KNPI (the National Committee of Indonesian Youth) to help solve the problem of unemployment especially among the youth.

In an interview with ANTARA here Friday he stated the main cause of unemployment problem among the youth is the unreadiness of the young people to fill the available job opportunities because they have not mastered the necessary skill.

According to Sudono Indonesian young workforce (those of 15 to 35 age bracket) at present is 55 percent of the total workforce which stands at 63 million people.

The 1980 statistics show that 88 percent of the young workforce has primary school educational background, 11 percent junior and senior high schools, and only 1 percent university, without any other vocational skill, said the FBSI chairman.

When a young worker does not have any vocational skill, it is obvious that he will not become a productive worker. This state will make him earn a low salary which in turn forces him to neglect the children's well-being and education. Children of such worker usually will end up as an unproductive worker as well, meaning the parents' financial problem will become their problem, too, so a state called "vicious cycle," will take place.

"The vicious cycle will in the end cause a structural poverty, and this should become the focus of attention of the KNPI in line with the enactment of the year 1985 as the International Year of Youth," Sudono said.

KNPI, he went on to say, should be able to find solution to the problem through a conceptional method such as seminar and workshop, and also through a direct method such as providing more job opportunities especially in the informal sector.

Fund for both activities is available because the KNPI has its own budget from the Ministry of Youth and Sports Affairs and other ministries as well since every ministry usually has its education department.

Giving explanations on why the informal sector must further be expanded he said the sector can absorb many workers with quite limited capital.

The formal sector such as foreign capital investment (PMA) needs about Rp.22 million to provide one job opportunity for one worker, domestic capital investment (PMDN) needs about Rp.6 million and oil sector needs even a bigger amount.

In the informal sector the fund needed for job opportunity provision is not very big. It needs only about Rp.150,000 to Rp.200,000 for such provision.

KNPI, in view of this state, must also give motivation to youngsters that to get employment does not necessarily mean one has to become a civil servant or an armed forces member.

Agus Sudono on the occasion also conceded that many young workers still face difficulty in collecting the initial capital. Therefore, he appealed to the government to provide funds in the form of credits to those who have passed certain vocational training.

Apart from that, the government should also step up village development programs so young people will not be easily influenced to find employment in the big cities only.

Commenting on the Rp.1.5 trillion budget for education sector in the State Budget Draft, he said 60 percent of the amount should be used for the vocational education while the rest is for general education.

It is expected that through this method more skilled workers can be turned out, he added.

CSO: 4200/471

INDONESIA

**LOG EXPORT REDUCTION PROCEEDS AS PLANNED**

Jakarta ANTARA NEWS BULLETIN in English 12 Jan 85 p A2

[Text] Pontianak, 12 Jan (ANTARA)—The government policy to restrict log exports since 1980 has met the target. Ir.Iwa Kartiwa of the West Kalimantan Forestry Service disclosed here recently log exports from West Kalimantan dropped from 1,426,611 cu.m. in 1979/80 to 1,111,470 cu.m. in 1980/81.

The volume of logs shipped from the province to importers abroad dropped further to 713,315 cu.m. in 1981/82, 343,571 cu.m. in 1982/83 and 192,516 cu.m. in 1983/84.

The continued fall of log exports from West Kalimantan in the past several years is in line of the plan of the government to reduce in stages the supply of logs to other countries, in connection with the plan to stop all log exports, according to Kartiwa.

The fall in the exports of logs is followed by the continued increase in the supply of timber products, such as plywood and sawn timber to importers abroad.

The available data show the exports of processed timber from West Kalimantan in 1983/84 comprised 134,796.0634 cu.m. of ramin board, 187,496.0801 cu.m. of mixed board, 4,622.8275 cu.m. of dowels, 2,071.1368 cu.m. of moulding, 384,166.1731 cu.m. of plywood, 44,590.4905 cu.m. of blockboard and 51.4391 cu.m. of veneer.

CSO: 4200/471

INDONESIA

CEMENT EXPORT PROJECTION FOR 1985

Jakarta ANTARA NEWS BULLETIN in English 12 Jan 85 p A3

[Text] Jakarta, 12 Jan (ANTARA)--Indonesia's cement export in 1985 is projected to reach 1.3 million tons, an increase of about 200,000 tons above the previous year's target.

According to the chairman of the ASI (Indonesian Cement Association), Ir. (Eng) Setiadi Dirgo, to meet that export target the producers have to work hard, taking into consideration that last year's production reached only about 400,000 tons.

The countries of destination are among others Bangladesh and Singapore.

The quality of Indonesian cement is good, he said, but it encounters stiff competition at the international market, Setiadi Dirgo said.

To step up Indonesian cement's competitiveness, mainly in price, Setiadi Dirgo expressed the hope that the domestic cement industry would soonest shift from the use of oil fuel to the far cheaper coal.

Cement factories which at present are using coal, are among others the Baturaja cement factory (in South Sumatera) and the Kupang mini cement factory in East Nusa Tenggara (NTT).

Cement factories still using oil fuel are the Andalas, the Nusantara (Cilacap) the Tonasa (South Sulawesi) and Gresik (East Java) cement factories.

The failure to meet the export target as well as the limited domestic consumption were the main cause of the cement production being still far below the designed capacity.

"Last year's production was only 72 percent of that capacity," Setiadi Dirgo said."

#### Above Requirement

Data from the Public Relations Office of the Ministry of Industries have shown that the domestic industrial designed capacity has exceeded the level of requirement, and is therefore potentially capable of supporting the export program.

The designed capacity for cement in 1984/1985 was about 12.3 million tons per year, while the domestic requirement was about 9.6 million tons.

Through expansion at several factories as well as the construction of new ones, such as the one in Cirebon this year, the designed capacity is expected to increase to 17.5 million tons per year.

CSO: 4200/471

INDONESIA

FIRST AUTOMOTIVE ENGINE PLANT INAUGURATED

Jakarta ANTARA NEWS BULLETIN in English 12 Jan 85 p A4

[Text] Jakarta, 11 Jan (ANTARA)--The first automotive engine plant for four-wheeled vehicles in Indonesia was commissioned here Friday by the director general for machine industry and basic metal, Eman Yogasara.

The plant is located in Sunter, North Jakarta, and is managed by PT Toyota Engine Indonesia, a joint venture company with PT Astra International and Toyota Motor Co. of Japan with shares of 41 percent for Indonesia and 51 percent for Japan.

The designed capacity of the factory will be 3,000 units of 4K-type engines for Kijang car and 1,000 units of 13.B-type machine for By Rhino car a year.

In the first stage, it is expected that it will produce around 1,500-1,700 units of 4K-type this month and 300 to 500 units of 13.B type next April.

The president director of the PT Antra International, T.P. Rachmat, said that 100 percent of the needed components for the engines are still imported.

He expected, however, such components could be gradually produced at home by 1987/1988 at the latest, so there will be no imported component needed.

He conceded that home-assembled automotive engines will be 15 percent more expensive than the imported one of "built-up" form. But it is a challenge because the national automotive industry has to be boosted to achieve "full manufacturing."

Eman hoped the automotive industry will grow well in the present economic situation in order that it will use thoroughly the home-made component in 1988.

The automotive industry is carried out by calender system because of the limitation in the sector of production and other economic sectors. Based on this calender system, the motor vehicle component could have been used from the scheduled time.

For an example, the automotive assembling industry, since 1 January, has to use home-made engines, particularly that of commercial model, adding that engines for passenger cars (sedan) has not yet arranged.

The expansion of sedan engine industry still needs particular consideration because there are still many factors, especially the efficiency in meeting the need for public transport facilities in Indonesia.

Eman said that after the construction of the Toyota machine plant, other type of four vehicle plants such as Mitsubishi, Daihatsu, Suzuki, Izusu, Hino and Mercedes Benz will be built.

CSO: 4200/471

INDONESIA

LAMPUNG PROVINCE TRANSMIGRATION STUDY ANNOUNCED

Jakarta KOMPAS in Indonesian 15 Nov 84 p 2

[Text] Yogyakarta, KOMPAS--Minister of Transmigration Martono has set aside 1,000 hectares of land in Lampung Province for a transmigration study. He made this statement on 14 November at the Bulaksumur Campus of the University of Gadjah Mada in Yogyakarta, when he was speaking to a seminar on "Livestock Standards in Transmigration Areas."

Without identifying the areas he had in mind, Martono admitted that the transmigration resettlement standards used during the First, Second, and Third 5-Year Plans were generally related essentially to the production of food. The minister of transmigration said: "In several areas construction was begun on transmigration projects based on the needs of estate agricultural production and the needs of border areas, particularly the standards appropriate to the Natuna Archipelago."

Other standards will be developed and, as far as possible, will begin to be applied during the Fourth 5-Year Plan. In this connection Martono also stated that animal husbandry is a possible alternative in determining the objective and and in the implementation of the transmigration program.

"Kampong Mentality"

Previously, Doctor Soeharto, the dean of the Faculty of Animal Husbandry of the University of Gadjah Mada, stated that animal husbandry is still limited to a supplementary role in the transmigration program. However, in fact animal husbandry can play a role in working the land, adding to farmers' incomes, providing fertilizer, providing employment, and as a source of food.

According to Doctor Soeharto, many people think that the principle on which the transmigration program is now based still reflects the "kampong mentality." For it is clear that the only animals provided to the transmigrants are kampong chickens.

The dean of animal husbandry at the University of Gadjah Mada declared that kampong chickens are very important as a source of the nutritional needs of transmigrants, particularly in the initial phases in a new resettlement area.

In answer to Doctor Soeharto's "request," Minister of Transmigration Martono stated that he planned to provide every transmigrant family with from 10 to 20 kampong chickens. It is hoped that this "living" gift can help to overcome some of the difficulties encountered by transmigrants in their new homes.

INDONESIA

TAIWAN NATURAL GAS PURCHASES SOUGHT

Jakarta PELITA in Indonesian 17 Nov 84 pp 1, 12

[Text] Jakarta, PELITA—H. Abdul Rachman Ramly, the managing director of Pertamina [State Oil and Gas Company], has admitted that Indonesia is presently trying as hard as it can to sell LNG (liquefied natural gas) to Taiwan. He said that discussions with the Taiwan side are still going on.

Answering questions at the Department of Mining and Energy on 16 November, he stated that if an agreement is reached, LNG exports to Taiwan will begin from one processing plant initially, the Bontang plant.

At present more than 50 percent of our LNG exports go to Japan. Therefore, the quantity of natural gas being exported to Japan is substantial, although at present there is still a surplus of LNG, for which a market in Taiwan is being sought, he said.

He thinks that it will be rather difficult for Japan to increase its imports of LNG from Indonesia, because they do not want to be dependent on a single country.

Meanwhile, it is hoped that exports of LNG to South Korea, which will be shipped from the Sixth Unit at Arun [North Sumatra], will develop according to present plans and will begin in 1986.

Regarding the existing supply of natural gas on Natuna Island, he said that the ASEAN [Association of Southeast Asian Nations] countries want to cooperate in a concrete way in developing it. However, what form this cooperation would take, we don't yet know, he said.

However, Indonesia has told the ASEAN countries that we have made a major discovery of gas on Natuna Island, which is located [in the South China Sea] precisely in the middle of ASEAN.

LPG Exports Under Study

Asked about exports of LPG [liquefied petroleum gas] to Japan, Ramly said that at present 80 percent of Japanese imports of LPG come from Saudi Arabia. They want to find other sources of supply and have come to Indonesia.

Ramly said that we are presently producing and collecting only a very limited amount of LPG. When Japan suddenly asked us for LPG, this required careful planning as to how to meet this request. He said: "If you want to make a commitment for the export of LPG to Japan over the long term, careful study and research must be carried out."

At present these studies are under way, particularly those involving what can be done quickly. The studies are being carried out by location, with research performed on the sources of LPG from the Arun, Bontang, and South Sumatra fields.

However, Engr N. Satan Asin, director of exploration and production of Pertamina, states that the present productive capacity of LPG is about 3 million tons per year, and this must be increased. Certainly, this will take some time, he said.

Ramly admitted that the domestic use of LPG is rather substantial. Therefore, in meeting foreign orders for LPG, we have to give priority to meeting domestic requirements as much as possible. Then we need to consider how large the growth of the market over the next 10 years will be. It is only after doing this that we can determine how much is available for export.

Minister of Mining and Energy Subroto said that Indonesian LPG exports will mainly be to Japan.

Sutan Asin said that domestic LPG consumption is about 100,000 tons per year. Regarding the possibility of turning over the distribution and sales of LPG to the PGN [State Gas Company], Ramly said that this is under discussion.

Regarding Indonesian oil production capacity, he said that it was about 1.6 million barrels per day. Under the new decision by OPEC [Organization of Petroleum Exporting Countries] Indonesian production will be reduced from 1.3 to 1.1 million barrels per day.

5170  
CSO: 4213/82

INDONESIA

#### GEOOTHERMAL POWER PROJECT AGREEMENT SIGNED

Jakarta HARIAN UMUM AB in Indonesian 17 Nov 84 p 1

[Text] Jakarta, HARIAN UMUM AB—It is government policy to make use of renewable forms of energy which cannot be exported but which can replace petroleum, at least partially. This policy will be applied in the construction of the geothermal electricity generating project at Gunung Drajat, West Java.

Minister of Mining and Energy Subroto stated that the Gunung Drajat project is the third such facility to be constructed. The two others are the Kamojang project, which produces 30 MW [megawatts] of electricity, and the Union Geothermal of Indonesia project at Gunung Salak, Bogor Regency [West Java].

A joint operations contract between Pertamina [State Oil and Gas Company] and AMOSEAS Indonesia Inc for the Gunung Drajat geothermal station was signed on 16 November between A. R. Ramly, managing director of Pertamina, and Martinez, the managing director of AMOSEAS Indonesia. Minister Subroto signed the contract as the representative of the government.

A second contract was also signed between Pertamina and AMOSEAS, the owner of the geothermal plant, with PLN [State Electricity Company] for the production of electricity. Signing the contract for the PLN was Engineer Sardjono, its managing director.

#### 35 Year Contract

According to Engr Sutan Assin, director of exploration and production of Pertamina, AMOSEAS won the contract to build the project over four other bidders. The contract covers a period of 35 years.

The contracted exploration costs over a period of 4 years are \$16 million. AMOSEAS is obligated to provide steam to the PLN for 25 years for each unit during the productive life of the project. The sales price of steam has been set at \$0.04687 per KWH [kilowatt hour] (55 MW), based on the "base resource price." When the steam flow exceeds 220 MW but is less than 330 MW, the price will be \$0.0430 per KWH. Later on, if the flow of steam exceeds 330 MW, the price will be \$0.04 per KWH.

AMOSEAS is to pay a bonus at the time of signature of the contract of \$500,000. After it has been in production for 30 days of "commercial generation" of steam, it will pay a bonus of \$2 million for each unit of 55 MW equivalent.

At the time production begins the Indonesian ownership share will be 30 percent.

#### Diversification

Minister of Mining Subroto stated that the use of geothermal power relates to the diversification of energy.

He hoped that in 1985 the diversification program will be fully in operation. That is, all potential forms of energy which we have will be used.

Still awaiting exploitation are geothermal energy centers in Banten Selatan Regency [West Java], the Dieng Plateau in Central Java, Bali, and North Sulawesi. Meanwhile, the Kamojang project, which is now in production, will be expanded with the construction of the second and third units, each of which has a capacity of 55 MW.

It is hoped that Union Geothermal Indonesia, which operates the geothermal center at Gunung Salak [West Java], will ultimately produce four times 55. The Gunung Drajat project is planned to produce four times 55 MW.

5170  
CSO: 4213/82

INDONESIA

REDUCTION IN DOMESTIC PRODUCT PROTECTION PLANNED

Jakarta KOMPAS in Indonesian 20 Nov 84 p 2

[Text] Jakarta, KOMPAS—Government protection for domestically produced goods is on a dynamic basis. Gradually, protection will be reduced, and producers of Indonesian made products will have to compete openly with producers from other countries.

This was stated by Dr Kardjono Wiriprawiro, director general of domestic trade, in Jakarta on 19 November when he opened an Export/Import Study and Training Session. The session, attended by 30 managers and deputy managers from various export/import companies, will be held once a month by the Departments of Trade and Manpower, in cooperation with the Jakarta Commercial Institute.

According to Kardjono, the activity of the commercial sector is very dynamic. It includes increasing development activity, increasing the production of goods and services, and increasing the income of the people. From the point of view of employment, the sector is very important. At present the commercial sector is the third largest employer of labor, after the agricultural and industrial sectors.

He went on to say that the dynamic aspect of the commercial sector is strongly influenced by domestic production of goods. For example, a number of years ago import activity generally involved the purchase of consumer goods. However, at present, since requirements for consumption goods are largely met by domestic production, import activity more often involves raw materials and production equipment.

Production Sector

Regarding the production sector, Kardjono said that it could not continue to be oriented toward the domestic market. This is because, whatever the potential of the domestic market, it is essentially static. Therefore, the national production sector must be willing to risk moving into the export market. When this happens, it will mean that commercial sector activity is steadily increasing and will make it possible for an increasingly large number of workers to be employed.

However, he warned that the national production sector cannot forever rely on government protection. He said: "The protection which is being provided is also

dynamic in character. Although it may still be large at present, in the future it will be reduced. Therefore, domestic production must be able to compete openly with the products of other countries."

Meanwhile, Dr Danang S. Joedonegoro, director general of manpower development and employment in the Department of Manpower, emphasized on the same occasion the importance of the commercial sector in the employment of labor.

The commercial sector, including the domestic production, export, and import sub-sectors, must be active. There is no other way if we want to make a success of exports. Exporters must be active. Danang said: "And if exports are a success, this means that there will be more employment opportunities."

Addressing himself to importers, Danang emphasized the importance of selectivity. He added: "We must know what goods are already being produced domestically and what goods should be imported. Imports should not harm the national production sector and our consumers."

5170  
CSO: 4213/82

INDONESIA

PLYWOOD INDUSTRY CLOSED TO NEW INVESTMENTS

Jakarta ANTARA NEWS BULLETIN in English 14 Jan 85 pp A2, A3

[Text] Jakarta, 14 Jan (ANTARA)--Would be investors who have applied for making investments in the plywood industry have been suggested to withdraw their plans in view of the sluggishness of the world market and economic condition.

The director general for Forest Exploitation Affairs, Ir. Soemarsono Mertosoedigdo, told newsmen here last weekend, that the Investment Coordinating Board (BKPM) had received 177 new applications for the setting up of plywood factories.

It is not yet necessary to set up new plywood factories, as the available plywood factories are still facing difficulties in marketing their products, according to the director general.

Forest concession holders have stated that logs were still abundantly available in their concessional areas, but they have slowed down their tree cutting mainly because of the protracted sluggishness on the market.

They have estimated that log production in Indonesia in 1984 could not meet the target of 18,900,000 cu.m. set by the Forestry Department, mainly because of the government decision to reduce in stages and finally stop log exports.

In 1982, Indonesia's log exports stood at 3.1 million cu.m., below 4.1 million cu.m. allocated by the government. The realization of log exports in 1983 and 1984 respectively reached 2.9 million cu.m. and 1.5 cu.m. whereas the allocation was respectively 3 million cu.m. and 1.5 million cu.m.

The increase in the number of plywood factories in Indonesia is in line with the government policy to accelerate the development of the wood processing industry to increase value added in the forestry sector.

Limitation in the number of plywood factories, is only for the time being, while waiting for the recovery of the market condition, according to the director general.

The government will continue to support the setting up of plywood factories for investors who have managed the construction of the plants, Soemarsono revealed.

According to data obtained from the Forestry Department, 96 plywood factories have been operating in Indonesia and 27 others are now still under construction.

Referring to the saw milling industry, the director general pointed out that South Sumatera and East Kalimantan had been closed for saw mills.

The setting up of new saw milling plants in other provinces can be considered, depending upon the availability of logs as a basic material, Soemarsono said.

Concerning the policy of the government for the grouping of forest concession holders to make their operation more efficient, the director general disclosed that the number of forest concessionaires groups had up to the end of 1984 reached 28, consisting of 124 companies.

The number of forest concessionaires had up to March 1984 reached 521, with concessional areas covering around 53.3 million ha. Thus there are still a lot of concession holders which have not merged into groups.

CSO: 4200/471

INDONESIA

MANAGEMENT SYSTEM OF SMALLHOLDER ESTATES CALLED OUTDATED

Jakarta ANTARA NEWS BULLETIN in English 16 Jan 85 p A6

[Text] Jakarta, 16 Jan (ANTARA)--Minister of Agriculture Ir.Achmad Affandi has said that the management system of smallholder's estate is generally out of date with relatively low productivity rate.

The minister disclosed this in a speech when installing 73 members of directors and supervising directors of PN/PT Perkebunan (state-owned plantation) as state-owned corporation within the Department of Agriculture here, Tuesday.

Of the total 9 million hectares of plantation in Indonesia, 86 percent are smallholder's estates, next to 8 percent of state-owned estates and 6 percent of limited estate companies.

For this the minister hoped that PN/PT Perkebunan would be able to help support the development of smallholder's estates.

He said that in this uncertain situation of oil and gas market agriculture or plantation played an important role which was expected to support the state's revenue.

This was because PNP or PTP had already adopted modern technology in cultivation with high productivity rate, he added.

But the recent competitive situation demanded a better management system, the minister said.

CSO: 4200/471

INDONESIA

OFFICIAL SAYS TEMPLE RESTORATION TO TAKE 3 MONTHS

BK281659 Jakarta Domestic Service in Indonesian 0600 GMT 28 Jan 85

[Text] Director General of Culture Haryati Subadio says it will take about 3 months to carry out restoration work on the Borobudur Temple, while a fund of over 16 million rupiah is required. The restoration work will be carried out by Indonesian archaeologists who are capable of handling the project.

Haryati Subadio also disclosed to newsmen in Jakarta today that the Borobudur Temple continues to receive global attention in the form of telegrams, letters, and telephone calls. Some of these have offered financial aid and expertise for the restoration of the temple. To mention a few, UNESCO and [words indistinct] are among them.

However, the culture director general stressed that Indonesia could afford to restore the damage to Borobudur Temple, both financially and technically. According to the director general, the restoration work will be financed by the Education and Culture Department's budget, although financial offers were received from local individuals and companies.

The director general of culture expressed the hope that the public will participate in ensuring the survival of Borobudur Temple because it is a heritage of the nation's cultural values.

CSO: 4213/127

INDONESIA

BRIEFS

WATER DEVELOPMENT AID--Manila, 14 Jan (ANTARA/APP)--The Asian Development Bank (ADB) has approved an unspecified technical assistance grant to Indonesia for a proposed groundwater development project in Central Java, the bank's headquarters here said today. The grant provides for a study which will enable the Indonesian Government to review its policies and strategies in the promotion of private sector investment in groundwater irrigation, a bank spokesman said. A team of experts in agro-economy, groundwater irrigation engineering, agricultural credit, and institutional and management development will provide 14 manmonths of consultant services for the study, he added. [Text] [Jakarta ANTARA NEWS BULLETIN in English 15 Jan 85 p A4]

1984 TRADE SURPLUS--Jakarta, 15 Jan (ANTARA)--Indonesia's trade balance in last October pocketed a surplus of around US\$315.2 million owing to the increase of exports of non-oil/gas commodities. Data available at the Department of Trade here Tuesday showed that Indonesia's export value in that month was noted at US\$1,685.8 million comprising oil/gas US\$1,191.7 million and non-oil/gas US\$494.1 million. Its import in the same period stood at US\$1,370.6 million, composed of oil and gas commodities US\$326.4 million and non-oil/gas commodities US\$1,044.2 million. This means Indonesia's trade balance had a surplus of US\$315.2 million. Indonesia's export value from January to September 1984 rose by around 8 percent compared to the same period of 1983, namely from US\$15,304.1 million in 1983 to US\$16,531 million. [Text] [Jakarta ANTARA NEWS BULLETIN in English 16 Jan 85 p A5]

TRANSMIGRATION PROGRAM--The minister of transmigration, Martono, reported to President Suharto in Jakarta on 21 January that the government will continue to implement transmigration programs under an integrated pattern during the fourth 5-year development plan. The pattern includes resettlement in provinces that have already been agriculturally developed, development of the people's plantation system, and resettlement of transmigrant families in industrial areas. [Summary] [Jakarta Domestic Service in Indonesian 0700 GMT 21 Jan 85 BK]

TRADE SURPLUS WITH JAPAN--According to data from the Trade Department in Jakarta, in the last 5 years the balance of trade between Indonesia and Japan has been in Indonesia's favor. In 1980, Indonesia's trade surplus stood at \$7.38 million, while in 1981, Japan's trade deficit was about \$8 million. In 1983, Indonesia's trade surplus was \$5.89 million, and from January to September 1984 Indonesia recorded another surplus of \$5.42 million. [Summary] [Jakarta Domestic Service in Indonesian 1200 GMT 24 Jan 85 BK]

**PEREZ DE CUELLAR'S VISIT--**UN Secretary General Javier Perez de Cuellar is scheduled to make an official 3-day visit to Indonesia beginning 3 February. Indonesian Ambassador to the UN Alex Alatas told President Suharto about this visit at the Bina Graha presidential building this morning. He also told newsmen that the visits to Indonesia and other Southeast Asian countries by the UN chief are aimed at seeking a solution to the Cambodian problem. During his stay in Indonesia, Perez de Cuellar will meet with President Suharto and other high-ranking officials. He will then proceed to Bali for a 2-day vacation. [Excerpt] [Jakarta Domestic Service in Indonesian 0700 GMT 28 Jan 85]

**KEIDANREN GROUP MEETING--**General chairman of the Indonesian Chamber of Commerce and Industry, or Kadin, Mr Sukamdani Gitosarjono, said yesterday he hoped the Japanese Government would open its market wider to Indonesian nonoil and gas commodities. At a meeting with the Japanese trade delegation--the Keidanren--led by Yoshihiro Inayama, Mr Sukamdani said Indonesia is currently promoting nongas and nonoil commodities exports. The trade balance between Indonesia and Japan since 1979 has been always in favor of Indonesia. Nevertheless, Indonesia's export of the nonoil and gas is relatively small compared with its imports from Japan. Indonesia's export of nonoil and gas commodities such as shrimps, aluminum, nickel, (?copper), plywood, and so on is currently confronting (?adequately) serious restraint, notably the high import duties. In this connection, Japan is expected to open its domestic market wider to enable Indonesia to sell more goods to the country, Mr Sukamdani said. [Text] [Jakarta International Service in English 0800 GMT 26 Jan 85]

**RAISING FROGS NOT PROHIBITED--**Raising frogs only for nutritional benefit and not simply for eating them is not in conflict with Islamic teaching. This decision by the MUI, the Indonesian Council of Ulamas [Muslim scholars], was made public in Jakarta on 13 November. The decision noted that Madzhab Syafei and the majority of ulama believed that frog meat was prohibited for consumption by Muslims and that Madzhab Maliki considered that this kind of meat could be eaten. The decision by the MUI was among other decisions made at the special session of the Guidance Council of the MUI which was held behind closed doors on 12 November in Jakarta. The session was presided over by Prof K. H. Ibrahim Hosen, chairman of the MUI Guidance Council, which was attended by about 50 members of the MUI Executive Committee for Current Affairs, representatives of a number of provincial councils of ulama, and a number of scholars from various universities. The decision on frog meat was made last October and was made public at the request of the government by Professor Hutasoit, deputy minister for increasing the production of livestock and fisheries. Hutasoit stated that the government intended to stimulate frog-raising as part of the effort to increase exports of non petroleum and natural gas products. However, the implementation of this program had been postponed, pending the issuance of a decision by the MUI, since it involved the question whether or not frog meat is prohibited or permitted for consumption by Muslims. [Text] [Jakarta KOMPAS in Indonesian 15 Nov 84 pp 1, 12] 5170

SMALL EARTH STATIONS EXPORTED--In 1983 Indonesia exported six small earth satellite stations to Malaysia. In 1985 there is a good possibility that there will be further exports of small earth stations. The export of the small earth stations to Malaysia was handled by PT Industri Telekomunikasi Indonesia (INTI) [Indonesian Telecommunications Industry Company]. This was in connection with the use by Malaysia of the transponder in the Indonesian-owned Palapa satellite. Dr Junirman Bahar, director of sales and administration for PT INTI, told an ANTARA representative on 16 November that the six small earth satellite stations have already been installed in various places in Malaysia. In addition to the small earth satellite stations PT INTI has trained a number of Malaysian technicians who will be assigned to operate the small earth satellite stations produced by Indonesian experts. In 1985, according to Dr Junirman Bahar, this contract will be extended. At least, the Malaysians will again order six small earth satellite stations, which will be set up in various places in that country. He added that PT INTI has also been asked by Malaysia to prepare a proposal for the development of a television and telecommunications network in that country. Dr Junirman Bahar did not say when the proposal would be ready. [Text] [Jakarta HARIAN UMUM AB in Indonesian 17 Nov 84 p 1] 5170

MOBIL WANTS CONTRACT EXTENDED--A. Rachman Ramly, the managing director of Pertamina [State Oil and Gas Company], has confirmed that Mobil Oil, the American oil company, wants to extend its operations in Indonesia for another 50 years. Speaking with reporters at the Bina Graha offices on 16 November, Ramly stated that Mobil Oil had spontaneously expressed its desire to continue in business in Indonesia because, during the 50 years it has operated here, it has always been well treated. Ramly was at the Bina Graha offices to accompany President Soeharto when he received a courtesy call from W. P. Tavoulareas, president of Mobil Oil, who has completed his term of office. Tavoulareas also said that Mobil Oil, during its 50 years in Indonesia, had been able to operate well and therefore wanted to continue its activities in Indonesia for another 50 years. When Ramly, the managing director of Pertamina, was asked whether Mobil Oil's desire would be considered, he replied: "That's a statement by a very happy man." According to Ramly, cooperation with a foreign company must be mutually profitable to Pertamina and to its partner. During his call on President Soeharto the president of Mobil Oil was accompanied by A. H. Massad, his vice president, and by R. C. Mills and A. B. Salaki, directors of Mobil Oil Indonesia. The president of Mobil Oil arrived in Indonesia on 12 November. During his visit to Indonesia he has met with several senior Indonesian officials, including Professor Soebroto, the minister of mining and energy. After receiving the Mobil Oil officials President Soeharto, still accompanied by Ramly, the managing director of Pertamina, received Choi Yon Sik, the managing director of Korea Gas Corporation, who has recently been appointed president of Korea Gas Corporation. The Korean company will purchase Indonesian LNG [Liquified Natural Gas] from the sixth LNG unit in Arun, Aceh. [Text] [Jakarta MERDEKA in Indonesian 16 Nov 84 pp 1, 12] 5170

CSO: 4213/82

LAOS

**'TALK' CITES 'COLLUSION' BETWEEN PRC, THAIS**

Vientiane PASASON in Lao 20 Dec 84 p 3

[**'Talk': "Collusion Between the Beijing Reactionaries and the Ultrarightist Reactionaries in the Thai Ruling Clique Is a Threat to Peace in Southeast Asia."** A shorter English version of this item was carried by Vientiane KPL 0908 GMT 21 Dec 84 and was published in FBIS Asia and Pacific Daily Report 24 Dec 84 pp I3, 4]

[Text] The Beijing reactionaries and the ultrarightist reactionaries in the Thai ruling clique are becoming more closely involved once again. This is seen in the recent meeting between the Chinese deputy minister of foreign affairs and the Thai reactionary officials in Bangkok.

The Thai ultrarightist reactionaries and the Chinese reactionaries said that Beijing and Bangkok have similar principles on international issues. China supports the Thai position on the Cambodian issue. What is worse is that they also shamelessly stated "Thai and Chinese policies on resistance to Vietnamese aggression are in harmony with each other."

Public opinion in Southeast Asia has expressed concern towards the increasingly closer ties between the Thai ultrarightist reactionaries and the Chinese reactionaries, and regards this as a most harmful act against peace in the region. The closer ties become between Bangkok and Beijing the more harmful it becomes. This can be measured by the amount of weapons and ammunition China sends via Thailand to the Cambodian reactionaries, part of which may also be used to provide supplies to the pro-Maoist cliques in various countries throughout Southeast Asia.

The truth [is that] over many years the shadow of Chinese influence has been spreading over Thailand. [As] the BANGKOK POST once said, "China is a new master of Thailand."

Collusion between the Thai ultrarightist reactionaries and the Chinese reactionaries involves the cooperation of the two expansionisms and hegemonisms. Both parties are anxious to encroach upon and swallow up the land of the three countries in Indochina and of other neighboring countries.

What this shows is that the Thai ultrarightist reactionaries are carrying out what they did before in history, i.e., willingly becoming henchmen for the

reactionary power clique in order to receive a small share in return, e.g., encroachment upon the land of a nation they want. We can see that the Thai ultrarightist reactionaries totally depend on the Beijing reactionaries and the American imperialists. Thailand has become a center of confusion toward the three nations in Indochina, for example, helping vietnamese espionage spies and Pol Pot's clique, creating tension along the Lao-Thai border, and creating a serious and tense situation as never before by encroaching upon and illegally occupying the three Lao villages on 6 June 1984. Now their troops are not yet willing to withdraw from Lao land. They still control the [Lao] people they took by force for the purpose of prolonging the tension.

The situation above satisfies the ultrarightist reactionaries in the Thai ruling clique, and the Thai capitalists of Chinese ancestry are happier than ever. However, at the same time the majority of public opinion in Thailand that wants peace and true sovereignty is becoming more concerned the closer the ties between the Chinese reactionaries and the Thai ultrarightist reactionaries become.

THAI RAT on 6 December 1984 said that most people in Bangkok are concerned that in 5 more years the Chinese will beat the Thai in the Thai market in items such as rice, corn, and rubber, and they might be very dangerous competition.

Thai high-level officials expressed concern that from this year to next year China will gradually violate Thailands' independence and will finally push Thailand into an orbit controlled by China either directly or indirectly.

Public opinion in the ASEAN nations that are following the situation with critical eyes claims that the closer ties between China and Thailand will benefit only China which [craves] expansion. Thailand itself will only lose. The "independence" and "neutrality" often claimed by Thailand will completely disappear. Thus, Chinese-Thai relations are a direct threat to peace, stability, and cooperation in the region.

9884  
CSO: 4206/71

LAOS

LPRP DAILY REPORTS ON 7TH PLENUM RESULTS

Vientiane PASASON in Lao 2 Jan 85 pp 1,2,3

[**"News Report on the Meeting of the Executive Committee of the LPRP CC 7th Plenum (3rd Session)". A shorter English language version of this item was carried on Vientiane KPL 0858 GMT 2 Jan 85 and published in the FBIS Asia and Pacific Daily Report on 7 Jan 85 p 15,6]**

**[Text] The 7th meeting (3d session) of the Executive Committee of the LPRP Central Committee was held in Vientiane Capital from 24 December to 1 January 1985 under the chairmanship of General Secretary Kaysone Phomvihan.**

The meeting observed, surveyed, and assessed the world and Southeast Asia in 1984 along with the Lao situation over the past 1-year period, and also agreed upon the direction and goals of the 1985 state plan.

The meeting assessed that last year the struggle between revolutionary forces and the counterrevolution, between the forces for peace and the war-thirsty forces throughout the world, has changed drastically. The three revolutionary [waves] and the peace process have grown strongly and relentlessly. They have continuously improved their attack and retreat, and defeated the risky and war-thirsty policy of the American imperialists and the international reactionaries.

The three countries in Indochina in Southeast Asia have firmly united and endured the difficulties and various tests, and scored great victories in national defense and socialist construction. The tendency for peace and discussions is being exercised extensively in this region. However, the true nature of the imperialists led by the American imperialists and the reactionaries, e.g., the Beijing reactionaries, is extremely cruel and stubborn. Thus, the revolutionary forces and peace-keeping forces must be ever alert.

The meeting unanimously appraised that last year the struggle for national defense and socialist construction, the struggle between the enemies and us, the fight over who will win between the socialist and capitalist paths in Laos has changed drastically and [become more] confused. However, the armed forces and our people under the leadership of the party have endured all difficulties and scored many new and significant achievements and victories.

We were able to defeat the schemes of the Thai ultrarightist reactionaries who colluded with the Beijing expansionists and hegemonists to invade our independence and sovereignty and the sanctuary of our nation. On the economic front we obtained a great victory in producing food and fulfilled a number of achievements in industry and forest production and in distribution and circulation. In terms of culture our outstanding achievement was the elimination of illiteracy throughout the country.

In general, in many ways the situation in our country has changed for the better. However, in many ways and in many localities [things] have not kept up at the same pace. There are still mistakes, shortcomings, and many difficulties. Some are fairly [serious]. The meeting thoroughly analyzed the victories, the problems, the mistakes and shortcomings, and the causes.

The meeting pointed out that 1985 is a most important year as it is the last year of the first 5-year plan of the government. It is the year that has to create a favorable position for advancing to the second 5-year plan of the government (1986-1990). The duty and goal for 1985 is to continue strongly and effectively promoting agricultural and forestry production, distribution and circulation, and exports and imports by using land and forest, labor, all existing effort and production ability, and also the assistance of and economic cooperation with foreign countries effectively for the peaceful and better living of the people of ethnic groups. Meanwhile, we must continue to strongly turn to the grassroots to build up and improve the dictatorship of the proletariat, promote production, raise the standard of living of the people, and ensure national defense and security.

In order to make the above needs become reality we must work to improve the organizational machinery and alter the regulations and work techniques. We must gradually rebuild a new managerial machinery, allot the work and managerial levels, and promote the right of local and grassroots mastery and budgeting. The meeting agreed on a number of basic studies to be carried out in preparation for the second 5-year plan of the government.

Comrade Kaysone Phomvihan, general secretary of the Executive Committee of the Party Central Committee, in his closing speech clearly pointed out the victories and problems, and also the policies, views, and instructions of the party aimed at victoriously carrying out the duties and goals for 1985 and for the first 5-year plan of the government.

The meeting appealed to the entire party, army, and the people of ethnic groups to further promote their heritage of solidarity, revolutionary heroism, and high awareness, and their collective mastery, self-mastery, and self-endurance; to emulate each other in production; to participate in national defense and security; to strive to succeed in every duty and goal for the expected figures of 1985 as stated in the plenum of the 7th congress of the Party Central Committee; and to score achievements for the 30th anniversary of the founding of the LPDR. Vientiane, 2 January 1985.

LAOS

**LEADERS SEND GREETINGS ON INDIAN NATIONAL DAY**

BK261122 Vientiane KPL in English 0902 GMT 26 Jan 85

[Text] Vientiane, January 26 (OANA-KPL)--Souphanouvong, president of the Lao PDR, on January 25, sent a congratulatory message to Giani Zail Singh, president of the Republic of India on the occasion of the 35th national day of India.

The message writes: "On the occasion of the national day of the Republic of India, I have the great pleasure to express on behalf of the people of the Lao People's Democratic Republic and on my own, to your excellency and through you, to the entire friendly Indian people my warmest congratulations and best wishes of success and prosperity for the Indian nation.

"May the age-old relations of friendship and cooperation between our two countries and people continue to develop and strengthen ceaselessly [word indistinct] the lasting peace and stability in the world over."

Kaysone Phomvihan, chairman of the Council of Ministers of the Lao PDR also on January 25 sent congratulatory message to Prime Minister of India Rajiv Gandhi.

The message reads: "On the occasion of the national day of the Republic of India, the government of the Lao PDR and I have the great pleasure to express warmest congratulations and best wishes of prosperity to the [word indistinct] nation to your excellency and through you to the friendly Indian people.

"I deeply believe that the long standing good relations of friendship and cooperation between our two countries and peoples will be further strengthened for the interests of the two countries as well as for the interests of solidarity and stability in Asia and the world."

On the same occasion, Phoun Sipaseut, vice-chairman of the Council of Ministers, minister for foreign affairs, also sent message of congratulations to his counterpart Khursheed Alam Khan, minister of state of the external affairs of India.

CSO: 4200/462

LAOS

COLUMNIST ON VIENTIANE SECURITY, TAXES, CROPS

Vientiane VIENTIANE MAI in Lao 1 Jan 85 p 2

[ "Talking Together" Column by S Thipthiangchan: "Vientiane Yesterday and Today" ]

[Excerpt] Today the New Year 1985 has arrived according to schedule, and the old year 1984 has left us with many memories. We should look back over what we did in 1984. We could be proud of various achievements we scored step by step throughout last year, but we are not. Why? The real answer to this could be too broad for me to describe properly. However, let all of us realize that our dissatisfaction comes because we have not yet reached the crest of the collective revolution set in the policy of the party and our government. Although we have proudly succeeded in many tasks and in various plans step by step, the immediate tasks are still difficult. We still have to struggle and go through more. This year could be twice as hard as last year.

Vientiane Capital, the bright, young socialist outpost in Southeast Asia in the year 1984, is very proud of its great achievements in every aspect, especially in national defense and security. Everyone knows that Vientiane is where the enemies are concentrating their efforts to destroy and to incite unrest. However, under the leadership of the party committee and the administrative committee of Vientiane Capital we can say that Vientiane is basically 100 percent peaceful. In 1984 Vientiane once again [put forth] its new face. That is, Vientiane, formerly a city of luxurious living and rotten society under the old regime, has now become a city of agricultural production and a proud city because in 1984 the people in Vientiane Capital became self-sufficient and self-reliant in terms of food supply, especially in rice. For the first time in the history of Vientiane Capital we not only have no need to import rice but we also have a reserve and some surplus rice.

Likewise in socioculture Vientiane has improved and [more and more] it shows a new face, e.g., many roads are revived and the number of state and people's stores is increasing. Also, [in terms of] relations with fraternal countries' capitals, e.g., Hanoi, Ho Chi Minh City, and Phnom Penh, there will soon be a signing of economic agreements. The same goes for education and public health. All villages, cantons, and districts now have primary, secondary, and senior high school levels, and hospitals at village and district levels. In terms of agricultural production, primary figures in wet rice production for 1984 in Vientiane were high by historical standards. Ninety-five percent of

the primary figure collected in wet-rice production results exceeded the year's plan. In the 1984-1985 wet-rice growing season 70 percent of agricultural co-op units and collective ricefield units are now sowing their dry season ricefields, and approximately 10 percent of the agricultural co-ops are hurriedly getting started to plant their own dry-season ricefields. This year the expected figures for the amount of dry-season ricefields to be completed is 8,000 hectares. In 1983-1984 there were only 5,000 hectares. It will go from 8,000 to 10,000 hectares in the 1985-86 dry rice-growing season. [The plan is for] 114,000 tons for 1984-85. Currently the agricultural taxes for paddy rice of both wet rice and dry-season rice are approximately 90 percent of the plan. These victories in several work characteristics reflect the growth and pride of the revolution for Vientiane Capital in 1984.

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CSO: 4206/75

LAOS

BRIEFS

**SAVANNAKHET BANK DEPOSITS--**Since the end of June cadres, soldiers, and police along with the people of ethnic groups throughout Savannakhet Province have been gradually depositing the money they earned from selling their production in their own provincial branch of the State Bank totaling over 164,300 kip, along with over 187,000 kip in the savings lottery. [Excerpt] [Vientiane PASASON in Lao 15 Dec 84 p 1] 9884

**CO-OP LABOR, RESOURCE MANAGEMENT--**On that day parts of the ricefields in Dong Na Sok co-op in Nong Douang Canton, Chanthaboury District, Vientiane Capital, still had rice straws left. This year the co-op has a total of 144 members including 48 primary labor, 27 secondary labor, 5 draft animals, and 2 tractors. After two seasons of rice-growing the co-op has learned how to work [by calculating scores for assigned tasks]. For example, it is a way to avoid living at the expense of each other. Thus, the board of directors has shifted to a new organizing technique with the guidance of the district agricultural committee which is to use a direct family contract. Twenty-two families are divided into two groups-the first has 10 families and there are 12 in the second. Each family is directly responsible for 6 hectares for sowing seed, taking care of it, and harvesting, along with weeding and storing. The co-op will supply water, fertilizer, and ploughing by charging for each item. For the water, fertilizer, tractor, and total administration cost the co-op members in each family pay only 10.5 percent of the production they obtain. All members and the board of directors have agreed to this new phase of the plan as advised by the district agricultural committee. This plan was used in wet-rice production in a region and it proved to be a success. [Excerpt] [Vientiane PASASON in Lao 15 Dec 84 p 2] 9884

**PAKSAN HOSPITAL--**The Paksan District hospital in Bolikhamsai Province formerly served only the puppet soldiers. After the national liberation the hospital has been serving the people throughout. It has a total of 62 cadres (30 males) and 2 higher-level and 9 mid-level medical cadres. The rest are basic-level cadres and medical personnel. It accommodates 50 beds for patients who come for treatment. Technically it is divided into 13 sections. A new and effective section for treatment is traditional medicine. Here three kinds of medicine are produced, for dysentery, ulcers, and malaria. They are able to examine 70 to 100 people a day. Besides determiningly treating inpatients the hospital also now sends cadres to examine and treat people for diseases in some villages and cantons starting with animal disease prevention.

Also, the district hospital also organizes and trains medical personnel to serve in each village and canton. This they did successfully in 22 villages and 2 cantons in which there are 59 medical personnel including 30 women. They built 14 village hospitals and 2 canton hospitals. [Excerpt] [Vientiane PASAON in Lao 15 Dec 84 p 2] 9884

CHAMPASSAK BRIDGE CONSTRUCTION--The Phang Houoi Bangliang Bridge on Route 13, 24 km south of Pakse District, is located in part of Ban Mouang Canton, Phrathoumphon District, Champassak Province. It is a project of the bridge, road, and port construction and repair company under the Champassak provincial communications and transportation section. On the day of the ceremony to summarize the achievement of the construction of this bridge (6 October 1984) Comrade Thongsamit of the board of directors and the leader of the construction explained to our reporter that this bridge is a steel and wooden Bailey bridge 33.5 meters long and 3.5 meters wide, and weighs 22 tons. It can carry 18 tons of weight. [Excerpts] [Vientiane PASAON in Lao 20 Dec 84 p 2] 9884

BANK CADRE CAREER--Comrade Venkham Tounalom was born in Ban Pheugn Wat, Siang Canton, Phoun District, Xieng Khouang Province. He is exactly 38 years old this year. He joined the revolution in 1964, and later was sent to study abroad (in Vietnam). He studied socialist banking principles from 1965 to 1972, and graduated and was sent back to work in Viangsa. After 4 months of working in Viangsa he was sent to work in Phong Saly Province in 1973. He was assigned to be credit section chief in industrial trade. In 1978 because of the demand of the job Comrade Venkham Tounalom was transferred to the Central Bank and was responsible for credit in trade and food supply. In 1979-80 again because of the demand of the job Venkham went to work in the Foreign Trade Bank as chief of the foreign currency exchange unit of the [center] in Tha Deua. At the end of 1981 he went back to work in the credit department of the Central Bank and was responsible only for the credit of Vientiane Capital Food Corporation. Because of the need for those who were knowledgeable and intelligent Venkham Tounalom was assigned by the higher echelons to work in the State Bank, Sikottabong District Branch, in Vientiane Capital. Now he has been appointed to be chief of the State Bank section, Sikottabong District branch, Vientiane Capital. [Excerpts] [Vientiane VIENTIANE MAI in Lao 15 Dec 84 p 2] 9884

LUANG PRABANG ELECTRICITY PRODUCTION (KPL)--From early this year until now the cadres and workers of the State Electrification Enterprise of Luang Prabang Province have put all of their energy and intelligence into enthusiastically carrying out their specialized task in order to succeed in the expected figures for the 1984 plan set by the province. They have been able to score the following achievements. They produced 4,300,770 kWh and distributed 3,459,303 kWh worth a total of over 1,382,000 kip. They also calculated and inspected electricity production over 100 times, installed and repaired over 170 electric meters, repaired electricity problems over 800 times, repaired electric generation problems over 50 times, made repairs in a health [station] in front of the dam over 120 times, and made 120 repairs to electric generation in Nam Dong. They surveyed and figured out how to install electricity to rural

areas twice, cut trees from power lines throughout the district with over 100 [labor], and successfully repaired one electric generator for the basic-level teacher training school. They also constructed a club and five machine warehouses worth many tens of thousands of kip. [Excerpt] [Vientiane KHAOSAN PATHET LAO in Lao 15 Dec 84 pp 8, 9] 9884

SOVIET PARTY SCHOOL DELEGATION--Vientiane, 23 Jan (KPL)--A Soviet delegation of the Moscow's party school led by its deputy-director Pavel Slobin [name as received] arrived here yesterday for a week-long visit. The delegation was met at the airport by Sileua Bounkham, deputy-director of the party and state school, and the counselor of the Soviet Embassy D. Khalioulline. [name as received] [Text] [Vientiane KPL in English 0903 GMT 23 Jan 85]

TRANSPORT DELEGATION TO BANGKOK--Vientiane, 23 Jan (OANA-KPL)--The deputy-minister of transport and post, Khamlouat Sitlakon, on January 21, left here to Bangkok. The Lao delegation is to attend a conference on communication work to be held in Bangkok from January 23 to 25 under the auspices of ESCAP [Economic and Social Commission for Asia and the Pacific]. [Text] [Vientiane KPL in English 0904 GMT 23 Jan 85 BK]

HUNGARIAN MUSIC TROUPE--Vientiane, 24 January (OANA-KPL)--The Hungarian music troupe for peace and solidarity among peoples, on January 22, gave its first performance here. This music night organized by the Lao Committee for World Peace, Solidarity and Friendship with Peoples in collaboration with the Hungarian Embassy to Laos, was attended by Lao officials, among them Thongsing Thammavong, alternate-member of the party CC, minister of culture. The diplomatic corps and representatives of international organizations to Laos were also on hand. The music troupe arrived here on January 21. [Text] [Vientiane KPL in English 0918 GMT 24 Jan 85 BK]

VIENTIANE TRADE ACTIVITY--Vientiane, 25 Jan (KPL)--The trade service of Vientiane Province, in 1984, bought 12,400 tons of paddy and over 100 tons of forestry products from the people in seven districts of the province. The service has twenty state shops and twenty-eight collective shops. [Text] [Vientiane KPL in English 0917 GMT 25 Jan 85 BK]

CSO: 4200/462

MALAYSIA

RULING ON USE OF 'KAFIR' AGAINST MUSLIMS HAILED

Editorial's View on Ruling

Kuala Lumpur UTUSAN MALAYSIA in Malay 5 Dec 84 p 8

[Text] It is now clear that the practice of declaring Muslims kafir [infidels] in the past has threatened the unity of the Islamic community and Malays in Malaysia. Yesterday [4 December] the Conference of Rulers issued a ruling on this matter that we have awaited for a long time. The ruling declared that it was forbidden to accuse an individual who adhered to Islam of being an infidel or to consider such an individual an infidel.

Therefore, the conference ordered those involved in such practice to stop immediately and repent of their behavior to Allah. In addition, the Conference of Rulers, in its 133d session held at the National Palace, asked the prime minister to take stern measures against this practice to prevent the disunity among Malays resulting from this practice from becoming more acute.

Actually, the ruling issued by the Conference of Rulers yesterday is not a new ruling. It merely makes immutable a similar ruling issued by the conference's standing committee in 1963. So, the question that arises now is why no one surfaced the 1963 ruling when the PAS [Pan-Malayan Islamic Party] irresponsibly called UMNO [United Malays National Organization] an infidel organization when the matter reached a peak not long ago.

We regret this because the practice of calling someone an infidel has divided families, has created unnecessary tension between children and fathers and between husbands and wives in their homes. We also regret this because the practice has caused disputes to erupt in mosques, prayers to be said by two imams, and other unfortunate developments.

Our hope now that this ruling on declaring Muslim infidels has been issued, the parties indulging in this prohibited practice, both political figures and others who have hidden behind the Islamic religion, will stop doing this without making many speeches about the ruling or creating any problems.

If anyone obstinately continues to do this, the government should take appropriate steps to solve the problem. If coaxing or advice go unheeded, legal action should be taken against those who remain obdurate. The Conference of Rulers should propose campaigns to explain this matter.

The people must be given as clear as possible understanding on the practice of calling someone an infidel and the need for them to understand why certain parties do this. The government should also pay attention to this practice. If it fails to be decisive in confronting this matter, its authority will be resisted by a great number of Muslims who, to date, have elected it, in a free and democratic election, to govern this country.

#### Editorial Welcomes PAS Statement

Kuala Lumpur BERITA HARIAN in Malay 5 Dec 84 p 10

[Text] PAS concurred with the ruling of the Conference of Rulers prohibiting any Muslim from accusing another Muslim of being an infidel or considering him as such an requiring those who did so to repent of their behavior. Although the statement made publicly is a bit too late--since the bruhaha about the matter has died down to some extent--we welcome it.

More than that we are grateful because PAS has openly admitted that it had never called other Muslims infidels. We hope its statement was made in good faith and sincerity in line with the fundamentals of the Islamic faith. We also hope that the "Muslims" to which this ruling is directed are not only those in the PAS party or in organizations which are influenced by it but that it applies to the entire Muslim community in our country.

We do not raise the question of good faith and sincerity merely because we are cynical, but rather because a series of events in the past show that frequently those involved in these events spoke only with a honeyed tongue. This frequently was done to get themselves out of a tight squeeze or to achieve a political goal.

PAS is not a new political party that only started functioning yesterday. It has functioned since the first general election. The public knows that the PAS was founded on Islam. The public also knows that the PAS used religious issues as part of its strategy to build its influence among its members and the voters. If the pulse of a political party's activities is religion, without fail, consciously or not, it will be forced to touch on matters of faith, comparing one faith with another. It will not be exempt from feeling, "I am holier and nobler than thou." Therefore, religion properly should not be the primary focus in political party activities.

We also were very much taken with the statement that disunity among Muslims was not caused primarily by the infidel issue but by the lack of justice on the part of the government in regard to granting amenities to the PAS supporters. As far as we can remember, this is the first time the PAS has stated openly the real reason for its hostility toward the government.

especially the UMNO party. During most of the general election campaigns, they frequently criticized the government's plans, disparaged its development programs, and also rejected any efforts made along these lines, alleging that they were not characteristic of Islam or were not beneficial. At one time, Haji Hadi said the steps taken by the government to organize the Islamic Bank, for instance, were merely an attempt to wrap Islam around the project. For this reason, the PAS has always been urged to put forward plans and programs that it felt would be more effective and beneficial than those being attempted.

Actually there would be no disunity in the Muslim community, consisting wholly of Malays, if no one instigated or coaxed them into being hostile for reasons which were not directly related to development. All the people, whether Muslims or non-Muslims, cannot share in the benefits of development simultaneously and equitably. This is a dream which absolutely must be accomplished. However, development is a process which needs time for its planning and execution. Therefore, UMNO members themselves (if one believes that UMNO is the core of the government) feel development is not as equitable as had been expected. Many of our people are still poor, aimless, and backward.

If the PAS truly is aware that advancement and prosperity are important for the people, it should not want to be in control. It must perform in hundreds of ways to assist the government honestly and sincerely in building an advanced and united nation.

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CSO: 4213/110

MALAYSIA

MCA SETS CONDITIONS FOR DIALOGUE WITH PAS

Kuala Lumpur BERITA HARIAN in Malay 12 Dec 84 p 2

[Article: "MCA Will Hold Dialogue with PAS if Its Questions Are Answered"]

[Text] Kuala Lumpur, Tuesday [11 December]--The MCA [Malayan Chinese Association] is prepared to hold a dialogue with the PAS [Pan-Malayan Islamic Party] if written replies are provided by that party to MCA's five questions, Mr Chew Hock Thye, secretary general of the MCA Youth, said.

Mr Chew, who is also a member of the MCA Central Committee, said on 6 December his party sent a letter to Haji Nakhaie Ahmad, the PAS vice president, presenting MCA's view.

The MCA's five questions, he said, were presented in a letter sent to the PAS on 10 November. The questions to be answered are:

--Does the PAS agree and admit that Malaysia is a secular and not an Islamic nation?

--Does the PAS agree and admit that Malaysia is a nation consisting of numerous ethnic groups whose cultures must be kept alive and accepted by all?

--Does the PAS agree and support the rights and interests of all ethnic groups as guaranteed by the Constitution?

--Does the PAS support and accept the constitutional monarchical government and parliamentary democracy as agreed upon by the united government and ratified since independence?

--Does the PAS admit that Malaysia is a unique nation from a socio-cultural and socio-economic standpoint, and for this reason, any social change must be based on the present situation in Malaysia and not on that in another country?

Mr Chew Hock Thye said the PAS had offered to hold a dialogue officially with the MCA in a letter sent on 15 October. However, the MCA asked that the dialogue be deferred until the UMNO [United Malays National Organization]-PAS debate was held.

**Petition Required**

"Since that debate has been cancelled, the MCA is prepared to consider the PAS's offer to hold a dialogue," he explained.

Touching on the recall of 14 senior MCA members, Mr Chew said these individuals must petition to be accepted again as party members.

He explained that the statement made by Datuk Lim Kim Sai to the effect that the members who were recalled did not have to request pardon or petition for membership was outrageous and showed a lack of respect for the party constitution.

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CSO: 4213/110

MALAYSIA

MALAYSIA-SRV DIALOGUE TO COME AT 'APPROPRIATE TIME'

BK291305 Kuala Lumpur Domestic Service in Malay 1230 GMT 29 Jan 85

[Text] Malaysia is looking forward to the arrival of British Prime Minister Mrs Margaret Thatcher, who is expected to visit the country in April. However, a date for the visit has not yet been fixed. The deputy foreign minister, Mr Kadir Sheikh Fadzir, said that Malaysian and British officials are discussing a convenient date for the visit. Mrs Thatcher is scheduled to hold talks with Datuk Sri Dr Mahathir Mohamed on economic issues, particularly efforts to improve bilateral trade.

Previously, Mr Kadir held talks with his GDR counterpart, Mr Gerd Koning, at Wisma Putera [Foreign Ministry building in Kuala Lumpur] in which they discussed the Cambodian issue. Mr Kadir said that Malaysia plans to hold a dialogue with Vietnam at an appropriate time to continue talks on a settlement of the conflict.

Mr Koenig said that his country supports Malaysia's stand calling for a political solution to the Cambodian issue. He said that Malaysia should [words indistinct] talks to seek an immediate solution to the issue through political means.

CSO: 4213/128

MALAYSIA

**275 RICE MILLS MAY HAVE TO CLOSE DOWN IN 5 YEARS**

Kuala Lumpur BERITA HARIAN in Malay 13 Dec 84 p 20

[Article by Masri Abdullah: "275 Rice Mills May Be Closed"]

[Text] Alor Star, Wednesday [12 December]--Within the next 5 years, 275 private rice mills must be closed unless the government steps in to solve their problems.

Haji Ahmad Jelani, chairman of the Malaysian Peninsula Rice Millers Association, said the closure of these mills will affect 6,000 workers and their families.

Since 1974, he said, the government has raised the price of paddy by only M\$2 a pikul [137 pounds] but did not raise the price of rice. This forced the millers to absorb increased production costs.

In a 10-year period, Haji Ahmad maintained, the production cost of a sack of rice rose 85 percent, from M\$7.55 in 1974 to M\$14.03 in 1983.

"Studies must be made because losses sustained by the millers have been very great," he explained.

He said losses sustained by private millers made them unable to conduct their businesses in the interests of the people and the state.

"The continual losses sustained for the past several years have caused 25 private mills to close down and even more mills will close down in the next 5 years," he said.

Private mills, according to Haji Ahmad, must absorb the heavy losses because harvesting rice with machinery lowers the quality of the rice and raises the cost of drying paddy.

Further, he said, transportation costs (drivers' wages), mill maintenance, oil, electricity, and bank interest have also risen, and these costs place a further burden on the millers.

Although, he said, private mill owners from time to time have taken the initiative to buy modern machinery and drying equipment to increase production, they have been unable to control the great increase in costs.

"We urge the government to take certain steps to solve this problem. Unless it does this, businesses which provide a service to the people and to the state will go bankrupt," Haji Ahmad said.

The association, he said, hopes the government and the agencies involved will be able to solve the basic problems which are the drying of the paddy and raising the floor price for paddy because both of these problems result in excessively high costs for millers.

The association also hopes to be able to meet with Datuk Seri Syed Nahar Shahabuddin, chief minister of Kedah, when he returns from an overseas trip to bring these problems to his attention.

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CSO: 4213/110

MALAYSIA

NATIONAL PADDY, RICE INSTITUTE'S IMAGE TO BE RESTORED

Kuala Lumpur BERITA HARIAN in Malay 15 Dec 84 p 1

[Article: "Reorganization To Restore the LPN Image"]

[Text] Kuala Lumpur, Friday [14 December]--As of 2 January, the first task of the new chairman and two deputy chairmen of the board of the National Paddy and Rice Institute (LPN) is to restore the confidence of the people, especially the farmers, in that institution.

Following various complaints about inefficiency and allegations of wrongdoing in that institute, three members of the Diplomatic and Administrative Services (PTD) were loaned to the organization to clear LPN's name and to improve its image.

Sources in the Ministry of Public Enterprises informed BERITA HARIAN that they also were asked to cooperate with the LPN board to reorganize the LPN and improve its management's performance.

Further, close attention will be paid to the frequent complaints about conditions in and performance of Malaysia's LPN mills and to problems directly related to that institute's services and contacts with paddy farmers.

Nevertheless, BERITA HARIAN was given to understand that the new directors are to be "guardians" or "caretakers" for a limited time only until senior officials of the LPN take over the management of the institute.

According to the ministry sources, this has been done to ensure that qualified LPN senior officials will have an opportunity for future promotion.

They said the LPN is a closed service, and its employees may not be transferred to the ministry or serve in any other agency as PTD employees.

"If PTD employees continued to hold positions in the LPN leadership, opportunities for advancement for employees of the institute would stop at the division director level," he added.

Datin Paduka Rafidah Aziz, minister of public enterprises, announced last evening that Haji Ismail Shamsuddin, LPN board chairman, Mr Mohd. Anuar Ibrahim, first vice chairman of the board, and Wan Mustapha Wan Ahmad, second vice chairman of the board, will be transferred to her ministry as of 2 January.

Haji Ismail, she said, will be given a special assignment prior to furthering his education in the United States while Mr Mohd. Anuar and Wan Mustapha will handle special assignments dealing with the paddy and rice purchasing policy.

Wan Mustapha's position is to be filled by Shamsuddin Othman, director of marketing for the LPN. He is a PTD employee borrowed from the National Accounting Office.

However, the minister was not prepared to announce the names of the other two PTD officials who are candidates for heading LPN. Several technical problems must still be solved.

The ministry sources said they were not sure which senior PTD officials would be appointed to the positions of chairman and first vice chairman of the LPN board.

They understood that Datuk Badruddin Abdul Samad, first vice chairman secretary-treasurer, and Mr Shaharuddin Haron, director of the Treasury Insurance Section, reportedly would be appointed as LPN board chairmen.

As of last night, senior officials of the Public Enterprises Ministry were still discussing candidates for these two positions with Tan Sri Sallehuddin Mohamed, state chief secretary.

"Their names will be announced next week at the earliest or by the end of this month after a decision has been made on their selection and after a number of technical problems regarding these appointments have been resolved," the sources said.

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CSO: 4213/110

MALAYSIA

PROGRESS IN JAPANESE TECHNOLOGY TRANSFER DESCRIBED

Kuala Lumpur BERITA HARIAN in Malay 5 Dec 84 p 16

[Article: "Japan Really Wants To Transfer Technology"]

[Text] Kuala Lumpur, Tuesday [4 December]--With aid from the Japanese International Cooperation Agency (JICA), Malaysia sent 1,958 trainees to Japan and brought in 1,764 Japanese technical experts between 1954 and 1983, aimed at transferring technology to this country.

Mr Terusuke Terada, a technical specialists at the Japanese Embassy, said the transfer of technology, which was carried out through cooperation between the governments of these two countries, was requested by Malaysia.

He provided this information following a number of reports in local newspapers that Japan was not really making any effort to transfer technology to Malaysia.

Malaysia, he said, also established nine technical centers between 1966 and 1982 with JICA's assistance, and this disproves the allegation that Japan was not honestly implementing the transfer of technology.

Broaden Knowledge

"For example, one of these centers is the Steel Industrial Technology Center (MITEC) which was established 6 years ago to broaden the knowledge of Malaysian entrepreneurs on technology for the steel industry.

"During this period also, 11 groups of Malaysian trainees were sent to Japan for training and 45 technicians were brought to Malaysia by MITEC while another 37 Malaysian technicians were sent to Japan for advanced technical training," Mr Terada said.

Speaking at the opening of a seminar on labor-saving technology, Mr Terusuke Terada said equipment provided by JICA was valued at present at almost M\$6 million.

Another technical center established in Malaysia with aid from the Advanced Skills and Trainer Training Center (CIAST) will offer courses beginning next year.

Facilities at CIAST, he noted, were built at a cost of M\$38 million provided by the Japanese Government.

Further, Japanese aid is not limited to these projects since JICA is expected to start five projects for transferring technology in the marine sciences field. These projects involve the Fisheries and Marine Sciences Faculty at the Malaysia Agriculture University.

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PHILIPPINES

PIMENTEL DENIES SUPPORT FROM REAGAN

HK230529 Davao City SAN PEDRO EXPRESS in English 26 Dec 84 pp 1, 4

[Article by Gingging Avellanosa]

[Text] As one of the oppositions' presidential hopefuls for the 1987 presidential elections, MP Aquilino "Nene" Pimentel of Cagayan de Oro has certainly not denied his intentions to run for president, "if asked to run." This he openly admitted during a symposium sponsored by the Ateneo Alumni Association on 15 December at the Ateneo Covered Court.

"Dictators never believe in their own mortality," he commented on Marcos' denials about his reported ailment. Pimentel also said that "speculations of possible military take-over" is not remote considering the well-publicized reports of the president's state of health.

Regarding his two days' detention in Cebu City earlier, whereby he was accused of supporting the rebellion in Mindanao with one hundred pesos (P100.00), Pimentel dismissed it as "ridiculous accusations." Having been denied a seat at the Batasan Pambansa after serving almost four months as member, Pimentel's stance against the possible military junta take over was one of open indignation. He, however, debunked speculations by some quarters that PDP, his party is advocating government overthrow.

The stalwart of the Pilipino Democratic Party also denied reports of him getting support from U.S. President Ronald Reagan, or for that matter, having anything to do with the Central Intelligence Agency (CIA), as rumored. When asked about his unnamed source, he declined, only intimating that his source was a "businessman."

He criticized Mr Reagan's comment on the Philippine situation, saying it was an "indolent senility on the part of Mr Reagan." He further claimed that he was only invited to speak to a Council of Foreign Relations, likewise saying that he has other speaking engagements with the Mitterrand government in Paris, then later, in Italy.

When asked about the comment of opposition rival Governor H. mobono Adaza of Cagayan de Oro in one of Julie Yap-Daza's "Tell the People" program on television, he dismissed it as a "concerted attempt to malign (him) in the media started by Adaza," saying that the Estafa charges filed against him as exposed by Adaza was "politically motivated and maliciously inspired."

At the open forum, one of the questions posed to Pimentel was his stand regarding the U.S. bases in the Philippines. He answered that he is for the removal of the bases but "not immediately," citing the resulting unemployment of Filipinos employed in the bases as one reason. On the Multinationals Pimentel said PDP believes in the nationalization of Multinationals, and that not all multinationals should be allowed to stay in the country.

Regarding the threat of a "Second Martial Law" should a Military Junta take over, inquired by one of the audience, Nene Pimentel said (martial law) will only exacerbate the already serious situation in Mindanao. PDP's aim, he said, is to prevent military take-over. However, should a military takeover happen, he said, "PDP should disband to give way to other groups who could show the way to liberation" (referring to the radical elements in Philippine society).

When he came off-stage, Nene Pimentel was greeted by other local oppositionists, also by Col Rodolfo Biazon, Commanding officers of the 3d Brigade of the Philippine Marines who sat all throughout the whole duration of the symposium.

CSO: 4200/448

PHILIPPINES

DAVAO COLUMNIST ON U.S. MILITARY BASES ISSUE

HK230640 Davao City THE MINDANAO DAILY MIRROR in English 4 Jan 85 pp 4, 8

[*"By-Line"* Column by Casim Arkoncel: "Convenors Group Has No Political Base"]

[Text] It is not only unfortunate, but also fatal for the 'Convenors Group' to have tackled a very ticklish issue of the U.S. bases in making some nine presidential and veep aspirants to sign their political death warrants.

The 'Yankee Go Home' slogan has always been identified to be a communist call although how much politicians insist that it is a nationalistic stand. Majority of our people do not support the hate political opportunists express against Mother America.

In the first place, the signatories of the so-called "basic agreement," particularly, former legislators Jovito Salonga Jose Diokno and Raul Manglapus, ex-executive secretary Rafael Salas and Butz Aquino, to name a few, are known to be courting the support of the U.S. Government to topple down the Marcos regime. And by their own choice they are self-exiled and under the protective political asylum of the United States administration.

The stance is not even relevant to the aspirations of ousted MP Nene Pimentel, although convenient politically to paint a picture opposed to the foreign policy of the Marcos administration. And this is true to all the signatories of the greatest 'Zarzuela' in Philippine politics.

In contrast, the Liberal Party at large does not believe in the farcical 'Declaration of Unity' entered into by a few in the name of a great number of voters truly count in an election. Former Sen. Salvador H. Laurel made the right decision not to tag along with the extremist line of scuttling the U.S. bases at Subic and Clark. It is one thing to be anti-Marcos, but it certainly is political suicide to mouth communist lines, especially if made tongue-in-check.

For how can the declared presidential and vice presidential aspirants claim to be pro-American and anti-U.S. bases at the same time? Laurel cleanly eluded the trap set by the troika that doesn't have a decent political base. Those U.S. refugees had better get out of the America and live in the Philippines for a couple of reasons--one of which is to register as voters to qualify as political candidates, and to establish residence required by law.

Batasan speaker Protempore Salipada Pendatum (KBL-COTA-BATO) hit the nail on the head when he called for a plebiscite to settle the bases issue as well as the 1987 (or earlier) presidential race. The few opposition leaders who opted to decide the political future of the country to the exclusion of the people will have their hands full campaigning in vain to alienate U.S. supporters—a great majority of the Filipinos are. And of course, the outcome will leave them empty-handed.

A reliable source from the 'convenors group' was heard to have said that the hardline bases stand was to eliminate Doy Laurel [Salvador Laurel], whose own concept of nationalism enunciated by his late father, President Jose P. Laurel-- is practical politics. As of this time, Laurel is still considered as top contender against any KBL presidential candidate, be that President Marcos himself or somebody else.

Verily, the 'fast track' formula of the few opposition leaders is anchored on the evil wish that the regime with the demise of President Marcos.[sentence as published] Even at that, the ruling party holds the edge of material for the highest office as against the unmagnificent nine who inked the declaration of unity on paper.

Along with Laurel, on the KBL side in the event of a fast track occurrence. Blas Ople, along with Defense Minister Juan Ponce Enrile, Prime Minister Cesar Virata and Ambassador Eduardo Cojungco are the probables to contest the post-Marcos leadership. The first lady Imelda R. Marcos is not being discounted as she remains on top of the heap on who will probably succeed President Marcos-- fast track or fix trot.

CSO: 4200/448

PHILIPPINES

REPORT ON OPPOSITION STANDS ON U.S. BASES

HK240432 Quezon City VERITAS in English 13 Jan 85 p 13

[Text] The RP [Republic of the Philippines]-U.S. bases agreement which expires in 1991 is already driving a wedge in the opposition. Ironically, the stand against the presence of the U.S. bases in the country is supposed to be one of the guiding principles that would unify the 11 probable standard bearers (PSBs) in the list of the Convenor Group.

Former Sen. Salvador "Doy" Laurel, president of UNIDO [United Nationalist Democratic Organization], refused to sign the declaration of principles because of the statement which reads: "Foreign military bases on Philippine territory must be removed and no foreign military bases must hereafter be allowed."

Laurel proposed that the statement should read as follows: "Foreign military bases constitute a diminution of Philippine sovereignty and involve the peace, security, and survival of the entire nation. Therefore, foreign military bases should not be allowed on Philippine soil without the consent of the sovereign people obtained through a free and honest plebiscite or referendum called for the purpose.

"With this change in phraseology, I believe that we will be able to underscore the need to remove from the realm of executive agreements the matter of foreign military bases which should be left to the sovereign people for their decision and at the same time obviate any possible implication that we in the opposition stand for the unilateral abrogation of our country's treaty obligations," Laurel told former Sen. Lorenzo Tanada, Convenor Group chairman, in a formal letter.

Laurel also said that his suggestion was based on the recommendation of the UNIDO Council of Leaders composed of former senators Ambrosio Fadila and Francisco "Soc" Rodrigo, MPs Homobono Adaza, Eva Estrada Kalaw, Jose B. Laurel Jr. and Rogaciano Mercado; former Congressman Tito Dupaya, Zamboanga City Vice Mayor Susan de los Reyes, and Luis Mario General.

When the Convenor Group and the PSBs (except MP Kalaw who refused to join the group) rejected his proposed amendment, Laurel withdrew from the Convenor Group's list of PSBs.

Tanada said he was "amazed" at the /new/ [slantlines denote italics as published] position of Laurel on how the principle on foreign bases in the country should

be worded. He noted that Laurel agreed to a similarly worded principle when UNIDO and PDP-Laban [Pilipino Democratic Party-Lakas ng bayan] forged a coalition agreement in June 1983. He added that last November, Laurel sent him a copy of the agreement, called Declaration of Common Principles of the Allied Opposition, saying that it could be a basis for unity.

"Hence, I really find it difficult to understand your objection now," Tanada told Laurel in a formal letter of reply.

Tanada amplified the stand of the Convenor Group in a press conference held last week at the house of Cory Aquino. He said: "We did not agree to the submission to a plebiscite of the bases issues because that has already been decided by our people when they, in the national debate between the Pros and the Antis, upheld Quezon and disagreed with the Hare-Hawes-Cutting Law which provided for the automatic retention of the bases."

Tanada held last week at the house of Cory Aquino. He said: "We did not agree to the submission to a plebiscite of the bases issues because that has already been decided by our people when they, in the national debate between the pros and the antis, upheld Quezon and disagreed with the Hare-Hawes-Cutting Law which provided for the automatic retention of the bases."

MP Ramon Mitra, a PSB, noted that Laurel did not define what should be submitted to a plebiscite. "Is it the treaty? How can you submit a treaty to a plebiscite? Is it its abrogation? That question cannot be submitted to a plebiscite because it has no binding effect--unless of course one merely wants to draw public opinion on the treaty. In that case, it is at best an informal exercise," Mitra said.

Another PSB, former Sen. Jose W. Diokno, has consistently held that so long as the American bases are here, the Philippines will not be freed from American intervention.

"That is the major reason why I want the bases out. As long as the bases are here, the Americans will feel that they have an interest in intervening in our affairs," Diokno said.

MP Aquilino Pimentel Jr., earlier told VERITAS that he is for the gradual phase-out of the U.S. bases here. Butz Aquino, another PSB, also told VERITAS in an interview: "The U.S. bases must eventually go but we will not drive out the Americans the morning after. We will give them sufficient time for withdrawal."

Laurel himself had often spoken against the presence of U.S. bases here, prompting some quarters to wonder if there was another reason why Laurel refused to sign the Convenor Group's Declaration of Principles. His concurrence with the principles does not bind him to the proposed fast-track system of selecting a common opposition standard bearer.

CSO: 4200/448

PHILIPPINES

SALONCA ON DISMANTLING U.S. BASES; IMF TERMS

HK220344 Manila Far East Broadcasting Company in English 2300 GMT 21 Jan 85

[Text] Former Senator Jovito Salonga arrived in Manila yesterday [21 January] noon aboard a Cathay Pacific Airways plane from Hong Kong after a 4-year voluntary exile in the United States. An unruly crowd of mediamen greeted Salonga. Salonga, in his arrival statement, expressed the party's determination to establish a united, independent, and vigorous opposition.

Later in the press conference, Salonga said the Liberal party will work for the overhaul of the entire taxation system as part of its economic program. He also said he will work for the dismantling of the American military bases in the country. Salonga said he was told by an American admiral that it would take only 5 to 6 years to transfer those bases and it would be done before the Philippine-U.S. military bases agreement expires in 1991.

On the country's foreign debt, Salonga said the Philippines should renegotiate with the International Monetary Fund and the World Bank for more fair [as heard] terms of payment. He said the country will not be able to bail itself out of the economic doldrums of the current payment terms being passed by the creditor banks.

CSO: 4200/448

PHILIPPINES

**EDITORIAL ON MILITARY HARDWARE, COUNTERINSURGENCY**

HK231439 Manila TIMES JOURNAL in English 23 Jan 85 p 4

[Editorial: "'Nuts and Bolts' for High Mobility"]

[Text] The war being waged by the Communist-led New People's Army against the government is in the nature of guerrilla warfare. It is the type of armed conflict where the strategies, tactics and weaponry of conventional warfare have little value.

A guerrilla war does not require sophisticated jet fighters, missiles and other high-ticket defense items which, despite their awesome capacity for mass destruction, have been found to be ineffective against insurgents who tend to mingle with the civilian population to avoid detection. In Vietnam and Afghanistan, the large well-equipped modern armies of the United States and the Soviet Union were unable to decisively deal with insurgents largely because of both superpowers' hard-headed insistence on waging costly conventional warfare against guerrillas.

The success of any counter-insurgency effort rests largely on common foot-soldiers. They must have the training and equipment that would permit flexibility in tracking down and neutralizing insurgents. The main consideration in fighting guerrillas, as was the government's experience in the Huk campaigns of the early 1950's, is to bring the war to the enemy and not simply to secure a few fortified towns and villages. And in undertaking this task, foot-soldiers must have maximum mobility.

This is apparently the reason why the Philippine Government has requested the U.S. Government for "nuts and bolts" supplies as part of the \$900-million assistance package. On the other hand, for reasons that perhaps can be traced to the close ties between Pentagon officials and American weapons makers, certain U.S. officials are insisting on supplying the Philippines with sophisticated jet fighters and other costly defense items. While these weapons may endow the country with some dubious military prestige, they are nonetheless irrelevant to the government's present defense requirements.

CSO: 4200/448

PHILIPPINES

TOWN HALL TAKEN IN RAID BY 150 NPA'S, WEAPONS SEIZED

HK241503 Manila TIMES JOURNAL in English 24 Jan 85 pp 1, 6

[Article by Eric Gallego]

[Text] Cagayan de Oro City--A band of 150 heavily armed New People's Army terrorists raided a town hall in Agusan del Sur last Monday, ransacked the armory of the police station, and after three hours, left one PC [Philippine Constabulary] soldier dead and two civilians and another soldier wounded.

Colonel Triunfo Augustin, officer-in-charge of the regional PC command, said the attack on Bunawan town hall in Agusan del Sur came on the heels of another NPA attack on the neighboring town of Berwela early this month and the ambush of Brig. Gen. Pedrito de Guzman last Sunday.

The slain soldier was identified as Constable Joselito Cobreros of the 414 PC Company stationed in Patin-ay, Prosperidad, Agusan del Sur. He died on the spot.

Wounded were Dolores Cordenio, Elena Elia and Constable Gil Palma of the 414 PC Company. The wounded civilians were hit by stray bullets when the rebels strafed the house of an army soldier whose service firearm they failed to find.

According to the report of Col. Bernardo Alejandro, provincial commander of Agusan del Sur, the NPAs, wearing black uniform, stormed the Bunawan town hall at 3:30 p.m., barely 17 hours after De Guzman, regional PC commander, and four of his security men were ambushed in Cagayan de Oro City by 20 armed men.

The report said the rebels arrived in two groups aboard two commandeered passenger jeeps. One group cordoned off the municipal hall while the bigger group ransacked the treasury office and the armory of the police station.

The municipal government employees including the town mayor who were at their offices, were able to escape before the rebels got close to them.

Among the items taken by the rebels were five typewriters, three adding machines, an audio amplifier, one mimeographing machine and P28,000 in cash. The rebels also took four M-16 Armalite rifles, three Carbines, and three .38 caliber revolvers from the armory of the police station.

The report said another group of rebels ransacked the house of the mayor and disarmed the two bodyguards of the local official with a .45 caliber pistol and one carbine.

Two policemen on duty at that time retreated when they saw they were outnumbered.

The reinforcement from 414 PC Company arrived at the scene three hours later and encountered the rebels in rolling hills near the Bunawan agricultural school.

The report said an undetermined number of rebels were wounded in the 20-minute gunbattle.

Meanwhile, a crack team of PC soldiers were closing in on the suspects in the ambush Sunday of Brig. Gen. Pedrito de Guzman in this city.

CSO: 4200/448

PHILIPPINES

VERITAS ON POTENTIAL PRESIDENTIAL CANDIDATES

HK240425 Quezon City VERITAS in English 13 Jan 85 p 12

[Text] The growing strength of the opposition, some quarters fear, may turn out to be a liability for it has spawned a number of strong leaders, each of whom may be considered presidential material. The immediate problem, they say, is how to keep the opposition leaders from slugging it out with one another and how to arrive at a process through which a common candidate for president can be chosen democratically.

The following opposition leaders have been listed by the Convenor Group as potential standard bearers: MPs Eva Estrada Kalaw, Ramon Mitra Jr., and Aquilino Pimentel Jr., former senators Jovito Salonga, Salvador Laurel, Ambrosio Padilla, Raul Manglapus, and Jose W. Diokno; former Con-con Delegate Teopisto Guingona, former Executive Secretary Rafael Salas, and Butz Aquino.

A member of the Convenor Group, Cory Aquino, is highly considered as a compromise candidate should there be no consensus for any of the 11 of the Group's list.

Outside the Convenor Group's list and looming as darkhorses are MP Homobono Adaza of the Mindanao Alliance and former Sen. Rodolfo Ganzon of the Lapiang Manggagawa.

In the KBL, the only ones who might run if President Marcos decides to relinquish his post are Mrs Imelda R. Marcos, Defense Minister Juan Ponce Enrile, Labor Minister Blas Ople, and Ambassador Eduardo Cojuangco.

MP Eva Estrada Kalaw, a former senator, has distanced herself from the Convenor Group, saying that its "fast track" system is "undemocratic" and that the Group is trying to operate outside the party system.

Salonga was an outstanding congressman and senator but he had been away from the country for a long time and this may work to his disadvantage. Another disadvantage is his physical state that has deteriorated since the infamous Plaza Miranda bombing of 21 August 1971.

MP Ramos V. Mitra Jr. places much importance to the support of his fellow MPs before he will make a decision to contest the presidential nomination.

MP Pimentel is the most controversial among opposition MPs at the moment. His unseating by the Comelec and the refusal of the government to clear him for travel abroad helped give him the image of a martyr.

Former Sen. Jose Diokno was presidential material before Marcos declared martial law. He is still being considered as such but he says that his interest in the presidency is "as keen as a dull blade." He has been very active in the civil rights movement and had opted for the boycott of the May 14 elections.

Former Con-Con Delegate Teopisto Guingona is chairman of the PDP-L [word indistinct] for Luzon and has been waging a relentless campaign for fiscal responsibility of various government corporations.

Rafael Salas is making a name for himself in the international field as executive director of the United Nations Fund for Development, a position equivalent to that of deputy secretary general.

MP Homobono Adaza is the opposition's top debater and a leading strategist at the Batasan and these should make him a serious threat except for one thing: His party, the Mindanao Alliance, is a very small one and several opposition quarters called him "untractable" or too much of a maverick.

Butz Aquino's main cards are a magic name and the support of the parliament of the streets. He opted for boycott but majority of the electorate voted for participation.

Former Sen. Rodolfo Ganzon was a Liberal and he attended the convention of the LP-Kalaw wing last December but subsequently rejected the affair. He was a member of the UNIDO national directorate but has since broken away from the group and has accepted a draft as presidential candidate of the Lapiang Manggagawa.

CSO: 4200/448

PHILIPPINES

EDITORIAL ON NEED FOR OPPOSITION UNITY

HK240421 Quezon City VERITAS in English 13 Jan 85 p 5

[Editorial: "Opposition in Disarray--and Malacanang Closets"]

[Text] When martial rule was at its most stringent and a fearinduced apathy shrouded the land like a pall, the joke was that any boy dreaming to be president when he grew up could be slapped in jail for subversion.

Now that the fear is gone and the apathy has been dispelled, everybody, it seems, wants to be president. This can be the only explanation for all the flack that the Convenor's Group has been getting, not just from the Kilusang Bagong Lipunan, not just from the people who did not make it to the group's magic circle of 11 potential presidential nominees, but also from at least 2 out of the 11 anointed ones.

But, in the wealter of arguments and counter-arguments that the convenors' action has spawned, in the spate of hitherto well-concealed presidential ambitions that the so-called fast track system has brought to light, the oppositionists are overlooking one thing: it is the sound of gloating laughter, and it is emanating from Malacanang.

The oppositionists, in their headlong stampede for a position that has so suddenly become so tantalizingly attainable to them, are also forgetting something else: President Marcos, regardless of the state of his health, regardless of whether or not he will run, remains in full control. He holds all the aces in the high stakes political poker game, and we can all be sure that he will use them to full advantage.

He has unlimited resources at his disposal--or at the disposal of whoever should be the KBL standard-bearer. During the May 14 elections last year, estimates of governmental campaign expenditures ranged all the way up to 5 billion pesos. And this was just for a parliamentary election. Who can tell how much more the government will be willing to spend with the presidency itself as the prize?

The KBL, too, has the machinery all the way down to the grassroots. It is a machinery that can be relied upon to register the voters, bring them to the polling booths and otherwise insure that the votes are delivered. What can the

opposition offer by way of comparison? Nothing, for 12 years of martial rule has caused them to fall into disarray, and 12 years of disuse have made the political machinery rusty and decrepit.

And let us not forget that the government still has the Commission on Elections in its pocket. We are reminded now of the joke that Jaime L. Cardinal Sin used to tell shortly after the last consistory which saw Pope John Paul II elevated to the papacy. Why, he was asked, did he not get elected Pope? Cardinal Sin's reply: Because Leonardo Perez was not the head of the Vatican Comelec.

The estimable Mr Perez is no longer in the Comelec, but all but two of the present commissioners apparently are alumni of the same school of applied electoral mathematics that he specialized in. It was this same Comelec, remember, which has disowned Namfrel and which presumably it will ban from the precincts in any future electoral exercise.

But, over and above all these built-in advantages, President Marcos even has the starting gun in his hands. It is he who can decree when the presidential elections will be run.

The fact that, early this week, he went on record to say that there will be no change in the election dates--meaning 1986 for the local polls and 1987 for the presidential contest--should not lull the opposition into a state of complacency. Perhaps that announcement was made precisely to make the opposition feel that they have enough time to consolidate their forces and unite.

But, if we are to look at the situation objectively, it should become obvious that an early election--perhaps as early as this summer--would work to the advantage of the KBL.

If the president were to resign tomorrow--say, on the grounds of ill health--what would happen? The laws on succession would apply. Speaker Nicanor Yniguez would take over as acting president, and he would be duty bound to call presidential elections within 70 days.

Within that limited time period, how could the opposition get its act together? The most likely scenario would be an opposition working at cross-purposes, fielding maybe two--or even three or four--candidates against the KBL nominee, presumably Mrs Imelda R. Marcos. How could the opposition win in a situation like that?

And if the KBL were smart--we can think of many adjectives to describe the KBL, but being politically unsmart is not one of them--it could even make sure there would be multiple opposition candidates by the simple expedient of financing the campaigns of one or two of them.

So, what does all this mean?

It means that if the opposition wants a change, if it wants the country liberated from the oppressiveness of two decades of Marcosian rule, then its leaders must sit down and soberly discuss what can and should be done to counteract the [word indistinct] advantages enjoyed by the ruling party. It means that these leaders, in a selfless and exemplary display of statesmanship, must relinquish personal ambition in favor of selecting someone from their own ranks to wage

a one-on-one battle against the KBL candidate. It means further that all of them should wholeheartedly support the opposition candidate. It means also that, regardless of who the official opposition candidate may be, the Liberal Party, whose organization is relatively the most intact within the opposition, must place the resources of that organization at the disposal of the candidate.

Is this asking too much of the opposition leaders? Perhaps. But the times call for sacrifice, for self-abnegation.<sup>9</sup> Now is not the time for the pursuit of narrow and self-seeking ambitions. Now is the time for unity.

The alternative would be many more years of the same KBL misrule we have all been groaning under.

CSO: 4200/448

PHILIPPINES

COLUMNIST ON LEADERSHIP WITHIN OPPOSITION

HK231546 Manila BUSINESS DAY in English 23 Jan 85 p 4

[ "My Cup of Tea" column by Ninez Cacho-Olivares: "Which David?" ]

[Text] During a speech before a Manila civic club last week, Eva Estrada-Kalaw brought up the story of how and why the biblical David became King. God chose him, she said. She also said that there were many Davids among the members of the civic club. But since David's God no longer meddles in modern-day politics and hence, no longer makes use of the divine mandate, Kalaw said "our only alternative is the collective voice of the people." That, said she, "is what a democratic process is all about—not just the activities on election day—but the total process of nomination to election to proclamation." Ms. Kalaw was obviously referring to only one aspect of democratic process—that aspect which seems to be so close to her political heart.

In her speech, Kalaw mentioned that "in considering people for public office, we must learn to look beyond the obvious choices who may happen to have a knack for getting their names in the newspapers or who submit their own names in the absence of a real constituency."

Strangely enough, Ms. Kalaw's press agents do tend to barrage—almost daily—the media with voluminous press releases where Ms. Kalaw's name and her quote of the day are generously mentioned. Does this mean that we must learn to look beyond her as an obvious choice? But hasn't she already declared her interest in the presidency with the usual and worn-out politicalesse of "if drafted?"

And yet, she did say that "the highest task of leadership is not to occupy a position but to prepare for transition. It is the responsibility of leadership... to pave the way for younger people and newer ideas." Here she added, is a passing generation. However, she did get to mention that she was the youngest of the lot. It does make one wonder why those who belong to the "passing generation" have become much too active in the political game. Pray tell, how do the young Davids that she speaks of ever become King through the mandate when the same old members of the "passing generation" keep on jockeying for position and leading the pack; when each politically activated member of the "passing generation" insists on his or her type and plan of unity?

But Ms. Kalaw extended an open invitation to the audience saying that "they were most welcome" to work with the Liberal Party. "You don't even have to be a card-carrying member," she said. "You only have to love your country." How terribly sweet of Ms. Kalaw! It sounded to me more like: join the Liberal Party if you love your country. But goodness me! Isn't Ms. Kalaw afraid that, in extending an open invitation, her Liberal Party wing might just be infiltrated by what seems to be her bete noir--the Communists? But didn't she say as well that she was for the retention of the American bases in the country "as a deterrent against Communism?" If this is her party line then Kalaw should perhaps invite Ronnie Reagan and Marcos to join the ranks of her Liberal Party. After all, they all seem to espouse the same line.

Strangely enough, during an introduction, it was said that in 1966, at the time when Marcos wanted Congress to pass the Vietnam bill, Ms. Kalaw reportedly declared: "I cannot in conscience vote to send Filipino troops to fight a war that is not our own, a war that is being fought among brothers." I wonder, should Communism threat to engulf the entire country, would Ms. Kalaw want America to fight another man's war, a war that might be waged among brothers? Does she really believe that America will fight a brown man's war to protect the country and its people from communism or will America interfere only because its own interests are at stake? Does America love us so dearly and so generously? After the second global war, just what kind of generosity did America shower on our war-ravaged country? Was America more generous with Japan, its war enemy? Does America really care about democracy in other countries? It didn't seem to care that the dictator Somoza oppressed the Nicaraguans. Somoza served America's purposes. And American interests, during the Somoza regime, were protected. But, Ms. Kalaw and her ilk appear to believe that America and its bases are a deterrent to Communism. If she believes in that, does she also believe that America is the greatest savior, aside from being the Yanqui David?

There are still many who believe in the greatness and benevolence of America. They also believe that the U.S. bases are actually here for the protection and security of the Filipinos. I hate to say it, but America is for America, and other countries where the American stronghold is great are also to Americans, for America, but only if they serve the interests of America. The bases are here not for the protection and security of America's little brown brothers. They are here because they serve the purpose of America. They are here for the protection and security of Americans, first and foremost. The faster Filipinos realize this, the easier it will be for Filipinos to create a new, independent and sovereign nation that will refuse to be subservient to any foreign power.

And then perhaps, we can at last have a David who will not seek, nor woo the Yanqui David.

Who needs too many political Davids if they make no difference at all?

CSO: 4200/448

PHILIPPINES

COLUMNIST DISCUSSES QUESTIONS REGARDING NPA INSURGENCY

HK231511 Manila BUSINESS DAY in English 23 Jan 85 p 4

[ "Here and Now" Column by Francisco S. Tatad: "Can the NPA Be Stopped?" ]

[Text] In a recent meeting in Malacanang, Minister Juan Ponce Enrile told the president and the KBL [Kilusang Bagong Lipunan] that the communist insurgency had become the most formidable threat to national security. This inspired Mrs Marcos to say it was an admission of failure on the part of her closest KBL rival for the presidency--the longest-serving minister of national defense.

Enrile was understandably provoked. But the better side of his nature prevailed. "I am loyal to the Constitution, to the president, and to the party, but that is the truth," he said, and took his seat.

Mrs Marcos, the KBL and the nation are so much the poorer for the reticence of that riposte. Why, indeed, has the communist movement grown? Why has the counterinsurgency effort failed? Is it because Mr Enrile has slept on the job, or is it because the entire [word indistinct] has failed?

Not too long ago, the nation was told that the chain of command flowed from the commander-in-chief to the AFP [Armed Forces of the Philippines] chief of staff, and that the defense minister was nothing but the president's alter ego who implemented policies and orders he was told to implement. Although the public saw in him the power and might one normally associated with national defense, he did not have the power to assign, reassign, or sack a PC [Philippine Constabulary] provincial commander, perhaps even in his own provincial bailiwick.

This did not put him in the same category as the victims of military abuses. But his name would probably not have come up at all if the counter-insurgency effort had been a success. There would have been his commander-in-chief alone, or he and the chief of staff (on leave) to take the credit. But now that it is a sordid mess, the arrangement changes. Long publicly downgraded, Enrile must now be brought in to take the rap, at least before local executives.

For Enrile, this is but part of the hazards of the trade. He serves a cabinet where the division of labor assigns all credit to the president and all blame to his subordinates. But for the nation, it is nothing short of tragic. For it serves to leave unexamined the deep roots of the conflict.

Military abuses are, to many observers, the most important cause of the growth of the insurgents. Side by side with the NPA, the military suffers in the projection of its image. Even those who do not support violent conflict concede, no matter how reluctantly, that in many areas where the military is not succeeding too well, the insurgents are doing a good job--to the extent that, as one observer puts it, those who criticize military abuses will not criticize NPA abuses.

And yet, the odd thing is that the government has never really tried to study in-depth the question of such abuses. Is the military getting the right recruits? Is it giving them the proper and sufficient training before sending them to the field? Is it motivating them and paying them enough? Or is it merely arming delinquents and thugs who would otherwise be engaged in criminal activities if they had not been brought into military service? Do the best among them find anything patriotic or honorable in fighting a war they do not understand, or do they see themselves as a special type of cheap labor armed and equipped to defend the ruling vested interests?

Nor has the government really tried to look at the conflict not only from the point of view of the lowly enlisted man, but above all from the point of view of the innocent population, in whose name it is being waged. Unless and until the real interests of the population figure in the calculation, the policy-planners will never be able to see that the problem is not military but social and political. This is where a military solution will fail.

A military solution is by definition expensive. Many times, it is counter-productive as well. It is a drain on the economy, and to the extent that resources are used for arms and ammunition, to that extent basic human needs are neglected. In Mindanao alone, the war there--for that's what we must finally call it--costs the government at least P [pesos] 2 million a day, with no end in sight. Ilocanos, Pangasinenses, Tagalogs, Bicolanos, Ilonggos, Warays, Cebuanos, and other types of Filipinos are dying there as combatants, while Mindanao residents are caught in the crossfire.

Of all the regions, it is there where the NPA, in combination with the MNLF, hopes to achieve military parity with the government in a couple of years, and achieve what the secessionists alone have failed to achieve. And yet, it is here where government policy has suffered a total lack of dynamism and imagination. The government's inability to come up with a program that is not mainly dependent on the army is matched only by the opposition's inability to come up with a meaningful proposal that enlarges the prospects for peace and progress in this part of the country.

Published reports say the government is now seeking more military aid from the United States. These only serve to reinforce the view that the regime is committed to a complete militarization of the conflict. In desperation some are saying that there is no other way. What is needed, according to them, is to pour more men, abundant hardware and the most sophisticated war technology.

Others on the other hand believe that the conflict can be won only with the emergence of a "new Magsaysay" supported by the tactics developed by Colonel Lansdale in the 1950's.

But this is perhaps all nostalgia. We need more than U.S. military aid, more than a Lansdale, and with all due respect, more than a Magsaysay. What we need is a new spirit that will move our people to confront the roots of their social disequilibrium, their fragmentation and disunity themselves, instead of relying once more on the usual savior or the usual elite to decide what is best for them and their posterity.

CSO: 4200/448

PHILIPPINES

NPA LEADER KILLED IN NEGROS OCCIDENTAL

HK231441 Manila TIMES JOURNAL in English 23 Jan 85 p 2

[Text] A suspected subversive leader and two militia men were killed in a 25-minute gun battle between terrorists and a team of PC [Philippine Constabulary] soldiers, policemen and Civilian Home Defense Force [CHDF] members early Sunday morning in Siaton, Negros Occidental.

The clash took place in Sitio Kanhangin, Barangay Mantiguil, a belated report reaching Camp Aguinaldo yesterday said.

The report identified the alleged terrorist leader as Rogelio Sabillo, alias Commander Yangle, believed to be the head of a heavily armed, 15-man band which the PC-INP [Integrated National Police]-CHDF team had been tracking down.

The slain militia men were identified as Pedro Palacon and Cresencio Flores.

Also last Sunday, according to the armed forces public information office, a PC soldier single-handedly foiled an attempt by three terrorists to harass passengers of a jeepney in Lupon, Davao Oriental.

Constable Nicomedes Espanola of the 433d PC Company, who was a passenger, jumped off the vehicle and fought it out with the terrorists when the latter reportedly forced the driver to stop somewhere in Sitio Bacnitan, Barangay Don Mariano Marcos.

CSO: 4200/448

PHILIPPINES

MARCOS ON STATE OF ECONOMIC RECOVERY

HK231548 Manila BULLETIN TODAY in English 23 Jan 85 pp 1, 11

[Article by Willie Ng and Vicente B. Foz]

[Text] President Marcos said yesterday that the reading of the economic recovery being favorable, it should be pursued "with the tenacity of a bulldog."

He said foreign economic groups, such as the prestigious Nomura Research Institute of Japan, projects the Philippine economy in 1985 to grow by 1.3 percent in Gross National Product (GNP).

Nomura added that the inflation rate would go down to 14 percent for the year, much less than the 20-25 percent projection of the National Economic and Development Authority.

In the Batasang Pambansa, Prime Minister Cesar Virata said during the question hour that the country would have a \$3.5-billion trade surplus in 1985 as exports would increase greatly over the volume of imports.

He told opposition assemblymen who interrogated him that this would be a major economic achievement.

"Improving the balance of payments will avoid the need for borrowing so much for the country's import requirements," Virata said.

He reported that for some time now, non-traditional exports have exceeded the volume of traditional exports resulting in more foreign exchange receipts.

The president said that major economic indicators showed that the economic recovery program was going on very well and "the country is steadily and surely getting back on the track of national growth."

"There must be no compromising any of the objectives of the economic reform program and the means we seek to attain them," Mr Marcos said.

Aside from the Nomura economists, Norman Hicks, a World Bank economist who headed a mission to review the Philippines' public investment program, cited the "progress and improved coordination of the development program."

Hicks told Virata in a letter that the World Bank's country economic memorandum for the Philippines demonstrates the Philippines' potential for recovery and growth, provided an adequate policy framework would be put in place.

Earlier, Mr Marcos had released P455 million for the farm development program, particularly the yellow corn project.

He cited the steady growth of merchandise exports, which should increase by 10 percent over the \$5.4 billion level of 1985.

He also cited the Bakahang Barangay cattle distribution program which serves over 200,000 farmers. They borrowed P1 billion from this program as of the end of 1984. The repayment rate is 92 percent.

He cited sources of foreign assistance for farm programs, such as:

The \$180-million credit line from the U.S. Export-Import Bank for wheat importation; \$130 million from the Asian Development Bank for fertilizers and pesticides; \$150 million from the World Bank for farm inputs; \$36 million from the ADB for an aquaculture project in Panay Island, and \$15 million from the International Fund for Agricultural Development for small livestock project.

Virata stressed the importance of increasing exports so the country can adequately finance imports for industries. "This is how we could achieve long-term stability," he said.

He said the country will have to negotiate anew with foreign creditors sometime in 1986, for maturity in the foreign debt obligations in 1987 and beyond.

In 1986, Virata said, the total foreign debts will be \$28.7 billion.

This year, the country has to pay \$2.6 billion in interests for foreign loans.

Virata said that before the restructuring of the foreign loans, the Philippines would have a balance of payment (BOP) deficit of \$1.6 billion in 1985.

CSO: 4200/448

PHILIPPINES

REPORT ON USE OF IMF LOAN

HK241049 Quezon City ANG PAHAYAGANG MALAYA in English 18 Dec 84 p 3

[Article by Dennis Fetalino]

[Text] The bulk of the first of quarterly tranches or installments of some \$300 million of the \$925 million new money facility, drawble to the Philippine Government in February-March next year, will be used to pay off interest [word indistinct] of the country's foreign loans which stood at some \$286 million at the eve of the October 1983 moratorium.

This is one of two key provisions of the Term Sheet governing the grant of the new money facility, which together with the Economic Memorandum, outlined Philippine commitments to the International Monetary Fund and the more than 480 banks in exchange for the \$11 billion financial rescue package.

Central Bank [CB] Gov. Jose B. Fernandez has announced yesterday that the \$925 million new money, which represents an infusion of fresh funds to the country's financial system, would be made available to the Philippines in February next year.

Second D of Paragraph 3 of the Term Sheet outlining conditions concurrent to the first drawdown, also requires the borrower (which is the Central Bank of the Philippines, the government of which acts as guarantor) "not to draw at the first drawdown more than \$50 million in excess of the amount so regarded to pay such interest arrearages."

This would mean that virtually all of the entire \$925 million infusion would go to interest payments in the amount of \$286 million, leaving only \$14 million as free funds. [sentence as published]

With the new money, the government intends to restore confidence in the financial sector and reinstall the Philippines to normal status in the international financial community.

Interests are to be amortized on nine equal consecutive semi-annual payments before 31 December 1989 or on the fifth anniversary of the signing of the documents, the Term Sheet said.

CB Gov. Jose B. Fernandez has said that signing and documentation of the money facility will be done by the fund officials and representatives of the banks next month in New York.

The second drawdown of some \$100 million, including any amount of the first \$300 million tranche, not drawn at the first drawdown is to be made available 1 May next year.

The third and fourth drawdowns are to be released 15 September and 15 November 1985 in the amounts of \$175 million and \$50 million, respectively.

The new money facility is to be granted on a "no default" basis, and interest on public sector external debt must be kept current, the Term Sheet stipulated.

It also provided that apart from detailed quarterly reporting requirements, in which the lenders are to be updated on the use of the proceeds of the new money, the government in its capacity as guarantor, is "to ensure the viability of the private sector through a program under which foreign exchange risk protection is provided with respect to current and future maturities of private corporate sector debt."

The new money which would be provided by the commercial banks, forms first of three components of the financial rescue package, also including \$3 billion in trade facility, and a restructuring of existing loans of some \$5.7 billion and \$1.1 billion in credits from foreign governments through the Paris Club.

The new money will have a maturity of 9 years, five-year grace and four-year repayment period.

CSO: 4200/448

PHILIPPINES

EDITORIAL URGES EXAMINATION OF COCONUT POLICIES

HK231016 Davao City PEOPLE'S DAILY FORUM in English 4 Jan 85 p 2

[Editorial: "Rebellion Under the Coconut Trees"]

[Text] Presently, the heaviest concentration of rebels and opposing government forces are in the coconut regions, especially in Mindanao. Those in the tobacco, rice terraces and in the rice and sugar areas of the Visayas do not pose a serious threat to the establishment. Others in the banana and palm industries are but a spillover as special targets.

So going back, the Bicol Region, Quezon Province, Samar and the Waray sections of Leyte, plus Mindanao and Sulu have one thing in common--the copra industry, which is almost a monocrop economy. Worst is that for 10 years or more, it was mercilessly crushed by the levy. Now, it's pummeled by the export and other taxes, thru decrees, or executive orders. Government imposed poverty is their heaviest cross to bear.

Traveling to Mati, Davao Oriental, one notes that progress practically stopped in the last 13 years. Old houses still dot the small coco farmlands. New ones seldom appear. Going South, up to Malita, one sees the same story unfolding, one room huts of wild bamboos and nipa still cling to the highways. Old wooden buildings were built decades ago. North, East and South, the small coconut planters have a common denominator: Continuing poverty. Simply projected, it is land wide.

Since Martial Law and the levies, even the most hardy American Pioneers like the Christensens, the Walstroms, the Woods and Monford, have silently sold out. Recently some more big coconut plantations have given up control of their farms. They too were being pushed slowly by the government into bankruptcies. New investments are coming in from multi-nationals, or supposed cronies of the president, but they consists of cacao intercropping only, or of prawn ponds. Only new and fresh capital can afford them.

But from the old coco planters, big and small, there is just nothing to invest. For with a levy that could then eat 40 percent or more of the local market price of copra, specially after the price of copra fell to 80 centavos and/or one peso a kilo, to the newer government inputs that cut their income by 12 percent to 39 percent there is very little left for the laborer, to spend, spread across to improve.

In consequence, these senseless and oppressive tax measures, so reduced the buying and liquidity condition of the coco farmers, leaving 16 million people to live below the Filipino poverty line, and affecting the sales of such products like beer and tobacco. As the condition lengthened and worsened, many coco farmers could not send their children to schools, could not afford to give them even decent amenities in life, and needless to state, many of those martial law kids and dropouts in the coconut regions bear the brunt of the fraternal war. It is thus with compelling urgency that our government should reexamine its nefarious policies in the coco region, before looking for other causes and excuses.

It seems it failed to meet the problem frontally. Meanwhile, the Sariling Sikap [self-help], the KKK [Kilusang Kabuhayan at Kaunlaran--National Livelihood Program] and the socioeconomic programs and support, will not help the coco regions so long as institutionalized exploitation is made on these farmers. In the end, the cost of this rebellion will be more than the money squeezed thru the levy.

CSO: 4200/448

PHILIPPINES

## PROSPECTS FOR RICE PRODUCTION EXAMINED

HK221052 Quezon City ANG PAHAYAGANG MALAYA in English 14 Jan 85 p 3

[Article by Dennis Fetalino]

[Text] The government's intensified rice production program (IRPP), a scheme adopted to arrest a foreseen rice shortage, is bound to fail like its predecessor, the Masagana-99 scheme, according to a reliable source in the rural banking community.

The failure, the source said, is forthcoming if the government will not take a second look at the guidelines under which rural banks may be able to participate.

The implementing guidelines, which were recently issued by the Central Bank [CB] stipulate that the risk asset ratio--or the ratio of doubtful against total liquid assets--of rural banks [RB] should be not less than 10 percent after taking into account the loans that will be granted under the IRPP. The provision limiting the number of asset accounts with doubtful realization to 10 percent is believed to be inserted to ensure the participating bank's viability.

The criteria also require that the ratio of their past due loans to total loan portfolio, excluding past due CB or World Bank loans, should not exceed 50 percent.

These two requirements came under heavy fire from rural bankers because of their "crowding out" effect in the industry, the source said.

He claimed that under the new scheme, "only 16 out of the total 944 rural banks in the country will be able to participate."

"Already tasked with the difficult role of serving as financial conduits to the agricultural sector in regime of tight credit, rural banks may find it even more difficult to assume a role in the IRPP, given these two stringent rules," he said.

Stressing the crucial role played by the RBs, the source said, "When the rural banks lessened their participation in the Masagana-99 scheme, the country eventually ended up importing rice."

"Much as the rural banks would very much want to take up the job, as they did in other past agricultural programs, they will not be able to do so unless given the right tools," he said.

Not that the industry is plagued by many ills, but under the present rules, many interested rural banks would be hard-up in getting themselves accredited if the two stringent requirements stay, he claimed.

What the rural bankers specifically want is an honest-to-goodness evaluation of the guidelines by the Monetary Board, taking into account the current state of the industry.

They pointed to the past due ratio requirement, as being inflationary as it works to increase the prepayment rate of the loans.

They said this is even made worse by farmers who are "holding on to dear cash" for more immediate expenses.

The source stressed the maintenance of competitive interest rates in the rural areas even as the average lending rate remains stable at 15 percent.

Also, the bankers are calling on the CB to be more "steadfast" in the financial ratios, especially the drawing up of interest schemes under the program. He did not elaborate.

Another area of disagreement between the CB and the rural bankers, according to the same source, is the proposed 5-10 year repayment plan, a move which the CB is not amenable to.

The two other major criteria do not worry the rural bankers as much as the other two because as it was stressed earlier, the industry is not fraught with ills that have plagued others, the source explained.

One criterion requires that participating banks should not have serious irregularities and anomalies in their operations, a clause apparently included to discourage fund misuse or diversion.

The other criterion requires that past due obligations of rural banks with the CB should be covered by approved plans of payment that are duly complied with.

Under the IRPP, the banks will serve as conduits in the granting of loans to trade millers, input suppliers and farmer-borrowers.

Meanwhile, the Ministry of Food and Agriculture has claimed that it is now mulling over the possible tapping of other alternative [word indistinct], like the stateowned Farm Systems Development Corp., in order to hasten the full implementation of the crask rice program.

MALAYA had earlier reported that the participation of the rural banking system in the IRPP is bound to fail since about 800 of the country's some 1,000 rural banks are disqualified from the farm credit scheme. Sources said these delinquent banks have combined arrears of at least P1.7 billion from several agricultural credit systems like the Masagana-99 and Biayang Dagat programs.

Most of the qualified rural banks, however, are allegedly not sold to the program's 15 percent interest rate, which is 200 percent less than the prevailing rate of 40-45 percent.

CSO: 4200/448

PHILIPPINES

**GOVERNMENT RAISES RETAIL RICE PRICES**

HK231540 Manila BUSINESS DAY in English 23 Jan 85 p 10

[Text] The government yesterday increased the retail price of rice to P6.00 from P5.35 per kilo, effective immediately. In a closed door meeting held at the Executive House presided over by Prime Minister Cesar Virata, the Cabinet approved a new "fourtiered" pricing system for rice, as follows:

- regularly milled rice: P6.00 per kilo
- Well-milled rice: P6.20 per kilo
- Under-milled rice: P5.65 per kilo
- Fancy variety: no ceiling

The Cabinet said it decided to adopt the new pricing system in rice to encourage farmers to "further boost production of rice."

Virata, who announced the new pricing policy said it is an offshoot of the December decision of President Marcos to increase the palay price support from P2.90 to P3.35 per kilo. "The new price increase in rice gives the farmer a much-needed incentive to produce more," Virata said.

Virata said the price adjustment will normalize the "conversion price from palay to rice, improve the supply of the staple in the market, boost production and prevent further importation of the cereal from abroad."

In a related development, the Cabinet also granted a standby authority to National Food Authority to import rice, feeds, and the needed cereals but "to make such importation only after notifying the Price Stabilization Council."

The standby authority to import rice by the National Food Authority is one of the measures to forestall a "probable deficit of rice by July this year."

The Cabinet also decided to file the new agriculture incentive bill on 24 January (Thursday). The proposal will give new incentives to all kinds of agricultural projects.

On the new increase of the retail price of rice, the Cabinet says that when the president authorized the 45-centavo increase in the palay price support in December, it was primarily to help the farmers cope with rising costs and motivate them to produce more so as to avert a rice shortage. The December price increase, however, did not affect the retail price.

Before the approval of the price increase, market stalls still displayed P5.35 per kilo price for rice, even though they actually sold it for much more.

Overpricing was rampant, retailers and dealers admit. But "we can't do anything about it unless the government sets the 'most logical price' for rice," said one retailer.

"It is really impossible to make a profit on rice under the present pricing policies," another dealer said.

"We buy at high prices and sell at set ceilings," they said. "The NFA (National Food Authority) prescribes a profit margin for us, otherwise we will be charged as economic saboteurs."

According to them they buy their rice at P260 per cavan from the NFA. Handling and transportation bring the cost to P265 per cavan.

On a per kilo basis, one kilo purchased from NFA costs P5.30. At P5.35 per kilo retail, rice earns retailer only P2.50 per cavan.

"Our purchases from the NFA are also limited to 30 cavans (for retailers) and 50 cavans (for dealers) per week," they said. At a margin of P2.50 per cavan retailers are only allowed to make P75 per week while dealers should only make P125 per week. We still have to pay our stall rentals, wages and utilities," they added.

To survive in the business, "we have to overprice," one added. He explained that they have to display the price tag of P5.35 per kilo to avoid arrests. "We actually sell beyond that ceiling in order to stay in the business."

Another rice trader said commercial rice is even more expensive, with prevailing prices ranging from P6 to P6.50 per kilo.

"We are allowed to retail commercial rice but since it is too expensive, we have to sell it through the backdoor," he said.

Rice traders said the government should adopt a "two-tiered or three-tiered" pricing policy since rice has different classifications--regular (or ordinary) and several special varieties--whose costs also vary.

Other sectors in the industry, including high ranking officials of the Ministry of Agriculture and Food, want the deregulation of rice prices. They said the "law of supply and demand" will surely determine the right price for rice.

Agriculture and Food Minister Salvador H. Escudero III earlier said that "eventually the government will also deregulate trading of rice." He expects the decontrol to take effect in the last quarter of the year.

Meanwhile, the Citizens' Alliance for Consumer Protection said in a press statement that "neither an increase in the support price of palay nor adjustments in rice retail prices will benefit the sociopolitical and economic conditions of the ordinary Filipino farmer."

Plans of increasing the price of rice and the eventual decontrol as demanded by the IMF (International Monetary Fund) will neither alleviate the plight of the small landowning peasants and tenants, the CACP said.

PHILIPPINES

BANKERS ASK CENTRAL BANK TO EASE PESO RISE

HK231530 Manila BUSINESS DAY in English 23 Jan 85 p 2

[Text] The Bankers' Association of the Philippines (BAP) has asked the Central Bank [CB] to resume its purchases of dollars from commercial banks to stem the continuous climb of the peso against the dollar.

In a meeting last week between CB Governor Jose B. Fernandez Jr. and the BAP executive committee, commercial bank presidents told the governor that they were agreeable to an increase in banks' reserve requirements which would counteract the expansion in money supply that results when the CB purchases dollars from the market.

The sudden climb of the peso's exchange rate against the dollar--the sole currency in the world doing so--has started to hurt banks, since they have had to unload their dollars previously purchased at high rates. In addition, there has been a drastic drop in demand for dollars by importers, who have estimated that the high financing costs--banks are still quoting lending rates at 45 percent--as well as hidden costs, such as necessary bribes at the Bureau of Customs to facilitate release of their shipments, have made the business of importing commodities highly unprofitable. Bankers also have claimed that the current peso exchange rate--the reference rate was yesterday quoted at P18.225:\$1--is now at a level that would encourage exporters to delay their remittances in the hope that the dollar rate would move upwards in the coming months or worse, to discontinue further export production.

CB sources said that Fernandez has asked his staff to evaluate the impact of the proposal and to come up with recommendations that would be taken up in the Monetary Board's regular meeting on Friday.

It was pointed out that commercial banks' current overall reserve position has improved to a point that the system could stand a hike in reserve requirements. After posting continuous reserve deficits for most of the past year, banks for the second week of December first reported a P480-million excess in reserves. While official CB data indicated that the banks reported an average deficit in the second week of December, banking sources claimed that most banks are now very liquid. Recent interbank rates--for overnight borrowings used to cover the reserve requirements--have been relatively low, reflecting improved liquidity among banks.

The CB last increased reserve requirements last April to 24 percent of their savings and demand deposits. It had opted not to further increase the reserve requirements--despite the fact that such a move would ensure the contraction of money supply to comply with ceilings imposed by the International Monetary Fund--because it would have tightened the banks' positions to such an extent that it would make it difficult for weaker banks to maintain their operations. This would have only required CB financial support that would negate the purpose of an increase in reserve requirements.

Bankers said that after nearly 8 months since the last increase in reserve requirements, the banks have already adjusted their positions to an extent that they can now stand another hike in reserve requirements.

One banker said that the BAP was confident that the CB would agree to the simultaneous resumption of its dollar purchases at the same time that it would hike reserve requirements since weaker banks would be encouraged to merge because of the increased reserve requirements. Monetary officials have publicly stated that it is the policy of government now to encourage mergers, on the principle that fewer but bigger banks would strengthen the financial system.

Although government has viewed the strengthening of the peso as indicating the economy's renewed strength, there are some in the financial community who point out that the rapid climb of the peso could on the other hand be a warning signal. With the strengthening of the peso primarily due to weak demand for dollars to be used for imports, the slack in imports would translate to weakening industrial production in the coming months. This would mean the country's gross national product may further go down this year, after posting a 5.5 percent decline last year. They also stressed that it should be a concern for monetary officials that while the CB and the treasury bills have succeeded in their purpose of strengthening the peso and containing inflation, they have also effectively coursed investment out of economic production.

CSO: 4200/448

**CENTRAL BANK ALLOWS INTEREST RATES TO 'SOFTEN'**

HK231536 Manila BUSINESS DAY in English 23 Jan 85 p 2

[Article by Conrado R. Banal, III]

[Text] The Central Bank [CB] has slowed down its issuance of government IOUs--the main tool in CB withdrawal of funds from circulation--forcing interest rates in the financial markets to soften some more.

Banking sources said that banks with maturing treasury bills, for instance, starting last Friday refused to buy new T-bills to replace expiring ones. CB issuance of new T-bills that day, and last Monday, amounted to less than what it had to redeem. It was only yesterday that the CB was able to match maturing T-bills with new issues, the sources said.

A CB official said that the CB wants to maintain the outstanding T-bills to its present amount, at about P21.5 billion, by limiting daily issuances to an amount which can repay the maturing IOUs.

Banking said they did not roll over their placements in government IOUs because of the drop in CB interest payments on them. T-bills are now fetching between 28 percent and 34 percent a year, from their peak of 42 percent to 44 percent a year last October. They said that higher earnings could be derived from lending to companies, although banks continue to be extremely selective in their loans. Some firms are nevertheless starting to borrow from banks with the recent drop in their lending rates.

Some banks have effected an across-the-board reduction in their lending rates by as much as six percentage points from their December 1984 levels. Bank of the Philippine Island, [BPI] for instance, is charging 41 percent a year as its highest interest rate, from 47 percent a year a couple of months ago. As most other large banks, NPI has dropped its prime rate--the lowest a bank can give to clients--to 34 percent a year from 40 percent a year.

The general drop in bank lending rates took its cue from a similar drop in their interest payments on time deposits and deposit substitutes--bank IOUs sold in the money market. These are the two sources of bank funds which can be changed instantly, because banks usually attract more funds by raising the rates on these deposits. Savings deposits are basically frigid, having no response to

changes in interest rates. Bankers said they were able to maintain placements in time deposits and deposit substitutes, despite the drop in interest payments, because competition coming from the government IOUs has weakened through similar reductions in CB interest payments.

There are banks, however, which still maintain their lending rates at between 40 percent and 50 percent a year. They reported that it takes time for bank lending rates to adjust to the drop in their costs of funds. They are, for instance, still paying high rates for time deposits which are yet to mature, and only when cheaper funds from time deposits--as the interest payments drop upon renewal of the placement--can they adjust their lending rates.

Bankers nevertheless suspect that the CB is planning a new scheme to siphon off funds from the system. They say the issuance of government IOUs has lost its effectiveness because this method was designed to target so-called pockets of liquidity some months ago. At the time while some banks suffered from acute shortage of funds, there were those awashed with cash. The CB had to raise its interest payment on government IOUs to attract the cash from banks.

Sources say the CB wants a fund withdrawal that will affect all banks--such as an increase in the reserve requirements of banks. Bankers pointed out that the CB remains committed to the International Monetary Fund to reduce reserve money to P31 billion by March--when the IMF is scheduled to conduct another review of the government's economic and financial program.

Bankers said CB Governor Jose B. Fernandez Jr. told them that the CB has targeted interest rates of about 35 percent a year, which can be attained. But they said that it will still be some time before the economy can see interest rates of 25 percent a year--which matches the government's targeted inflation rate for 1985.

CSO: 4200/448

DAILY DISCUSSES VIOLENCE IN MINDANAO

HK231154 Davao City PEOPLE'S DAILY FORUM in English 4 Jan 85 pp 4, 8

[Philippine News features article by Augusto Miclat, ir: "Mindanao Has Become the 'Bleeding Land'"]

[Text] Davao City (PNF)--During the Christmas Season, Davao City residents could no longer distinguish the crackles of firecrackers from the burst of gunfire. Citizens of this beleaguered city are so angered by the sound and sights of violence that indifference has become a thing of the past.

Instead, the heightening militarization of this city of 720,000 with its attendant abuses, human rights violations, salvagings, massacres has been met by increasing, if not, equal, violence. There is a difference, however. The violence of the people seems to be selective while the violence unleashed by the agents of the government is clearly more brutal and shocking.

In the entire archipelago, what is happened in Davao City, in Mindanao, has become a barometer--the veritable frontline of the protracted battle to win the "hearts and minds" of Filipinos.

It is in this city where one finds such places renamed from barrio (village) Agdao to "Nicar Agdao," Barangay Mandug to "Mandugua," Boulevard Street to "Boliviard." The monickers are not pinned arbitrarily to mirror the "chaos" obtaining in Central America, but to also underscore the people's response to the violence inflicted on them. When a Dabaweno mentions the word "Nicar Agdao," he does not mention it with fear, but he does so with a tinge of pride.

Dabawenos are very zealous of their militance. In "Nicaragdao," for example, when word was out that the barangay was going to be "arsoned," the residents readily created round-the-clock citizen vigilante groups or tanods--despite the presence of a detachment of paramilitary Civilian Home Defense Force in the area. Clearly, the latter was no longer trusted by the people.

Right after the tanods were formed, unidentified hooded armed men in land Rovers gunned down four young men and women with armalite fire. This was intended by the paramilitary men as a warning: We will kill you all. We will get you one by one.

A few days later, on the eve of the planned funeral march for the slain vigilantes, the rumor that the barangay will be burned became a fact. One hundred and twenty houses were razed to the ground. Scores of families were dislocated, but the majority chose to stay put in Agdao. The general feeling was that the burning of their barangay was primarily intended to smoke out New People's Army (NPA) "partisans, sparrows or subversives."

Other areas in Mindanao are following suit. The headlines are hewed by either paralyzing strikes in Davao, shoot-outs and assassinations in Zamboanga, unseated mayors in Cagayan de Oro City, and bombings in Agusan and Lanao provinces.

Mindanao--the "Land of Promise"--has indeed become the bleeding land.

The cycle of violence already has reached a point of no return. A battalion of fresh government troopers has recently been added to the already burgeoning number of soldiers in Mindanao. Justifying this move, acting Chief of Staff Lt. Gen Fidel V. Ramos, in a visit to the South, recently said that the rebels have reached the "advanced stage of the strategic defensive" and are on the verge of attaining a "stalemate."

In a press briefing in Davao City, Ramos also warned that if the insurgency is not arrested soon, the government may be facing the "enemy" in all the other provinces of Mindanao with the same intensity as in Davao. Notwithstanding the military's drive to refurbish its image, like the demotion of certain colonels, the sacking of non-commissioned officers, civic action in depressed areas, the deployment of the less unpopular marines in urban centers, and the ascension of General Ramos to the position of acting AFP chief of staff, the people of Mindanao seem to have accepted the prospects of continuing and intensifying battles in the coming months and years.

The situation threatens to escalate into a full-scale war as government soldiers and NPA and Moslem rebels battle for the hearts and minds of people in Mindanao.

CSO: 4200/448

## PHILIPPINES

## MALAYA ARTICLE VIEWS METRO MANILA'S FUTURE

HK221044 Quezon City ANG PAHAYAGANG MALAYA in English 10 Jan 85 p 3

[Text] Development of Metro Manila will slow down, and the income of individuals will decline slightly or substantially within the next 5 years due to the economic crisis.

This gloomy projection is contained in a study commissioned by the Metro Manila Commission entitled "Capital Investment Folio: Technical Assistance Services (1985-1989)."

"The recent economic agreement between the government, International Monetary Fund ANC Creditor Banks projected a 1.6-percent real increase in GNP over the next 7 years, 1984-1990; over this same period, population is likely to increase by 13 percent in Metro Manila and for the country as a whole, and personal incomes (GNP per person) in 1990 are likely to be no higher than those of today," the study revealed.

The same study projected that Metro Manila, due to changes cited above, will likely be hit in two ways: 1) "In the updated Philippine Development Plan, priority in capital investment is clearly to be given to the provinces at the expense of Metro Manila and 2) the increasing problems of urban poverty which threaten the coming years are likely to surface most acutely in Manila."

The projected slow development in Metro Manila could be best seen in the actual deficit between the earnings to be generated and the amount needed for priority development programs in the next 5 years.

For the period 1985-1989, there are 65 major projects and programs proposed for implementation in the National Capital Region. These programs would demand a total investment of P19.8 billion with further expenditures for small projects of P0.6-P1.1 billion. This would give a total investment of no less than P21 billion.

Thirty-one projects costing P7.8 billion are now under construction, the study reported, while the remaining 34 projects costing P12 billion are in various stages of preparation.

The study also showed that "there are virtually no 'new' projects in 1985 but if funds existed, there could be a rapid rise in spending which could exceed 1984 levels by 1988."

Total resources available for the period 1985-1989, the study reported, are likely to be near the bottom of the range from P8.3 to P12.8 billion.

Fund sourcing is expected from revenues of central and local governments, government corporations, and borrowings.

The available sources for the next 5 years, the study disclosed, represent a reduction over investment levels of the last 5 years of about one-fourth to one-half.

With only P8.3-P12.8 billion to fund P21 billion worth of projects and programs, other projects will thus have to be sacrificed until such time as other sources of funds are identified.

CSO: 4200/448

PHILIPPINES

## CRIME STATISTICS SHOW RISE IN LAST 8 YEARS

HK221108 Quezon City ANG PAHAYAGANG MALAYA in English 12 Jan 85 pp 3, 6

[Text] Manila (DEPTH NEWS)—Criminality is on the rise in the country due to hard times and lax and inefficient law enforcement. The crime chart shows these grim figures: every hour, five persons were killed or injured and five more were robbed while one rape case occurred every six hours during the first 6 months of 1984.

The crime rate soared during the last 8 years, even surpassing levels before 1972. President Marcos gave rising crime and violence as one of the major reasons for imposing martial law in September 1972.

These emerged from studies by the National Police Commission (Napolcom), which were cited by Deputy Defense Minister Teodulo Natividad in a recent dialogue with businessmen. [phrase indistinct] "Philippine Directions and Future: Problems and Opportunities."

Minister Natividad, who is Napolcom chairman and also a member of Parliament, said a total of 65,000 crimes were reported for the first 6 months of 1984. The total, he said, was an increase of 20 and 59 percent over the same period in 1983 and 1971, respectively.

According to the studies, most of the offenders came from the provinces. As Dr. Narciso Robles, head of Napolcom's planning and research division, put it, the offenders are usually docile and Godfearing provincianos.

Pressured by "rural misery" they are lured by the glitter of the cities where they go in droves. These migrants, however, realize too late that there is no improvement in their lives. They all wake up with shattered dreams with only a few succeeding.

In most cases, the migrants end up as criminals. This is borne out by one Napolcom study on the socioeconomic background of inmates in the National Bureau of Prisons at Muntinlupa.

In a survey of 4,591 inmates in 1976 and 1977, about 88.6 percent were born in the provinces. However, most of the crimes were committed in Metro Manila.

The same survey said the Visayan region--led by Eastern Visayas and followed by Central and Western Visayas--provided the bulk of the Muntinlupa inmates. The region is still considered largely underdeveloped, with agriculture and fishing as the main sources of livelihood.

Another significant survey finding was that most of the inmates came from big families. For instance, 95 percent or 4,285 of the 4,591 prisoners came from families with 5 to 15 or more children. Forty-five percent of the figure alone was accounted by families with 8 to 11 children.

Most of the prisoners were school dropouts. Only 47 or 1 percent were college graduates while 9.8 percent had no formal schooling. Reasons for leaving school ranged from financial problems and lack of interest to employment at an early age.

The flow of migrants from villages to cities goes on unabated; this has much to do with the rising crime rate, said Minister Natividad.

He admitted to businessmen that despite several measures adopted, the crime situation has worsened. The measures--totaling 108--were recommended during the First National Conference on a Strategy to Reduce Crime in July 1976.

For both murder and homicide, the target to reduce the rate by 30 percent in 1981 was not achieved, said Minister Natividad. In fact, the number of cases even doubled by 108.5 percent.

The same is true with robbery and theft cases. Law enforcers aimed at a 25-percent reduction but theft and robbery cases swelled by 80.7 and 37.6 percent, respectively. In addition, bank frauds, swindling, smuggling and related crimes also registered hefty increases.

On physical injuries, the target was to reduce the rate by 25 percent. In 1981, however, the rate jumped over four times, from 11.3 cases per 100,000 inhabitants to 46.21.

To check the increasing crime rate, Minister Natividad recommended the "total fusion" of the Philippine Constabulary and the Integrated National Police; enactment of a law regulating the holding of demonstrations and mass assemblies; and enactment of a law strengthening government programs and policies to combat terrorism.

He also recommended a program to compensate and indemnify victims of certain "violent crimes." According to Minister Natividad, there is today more concern on criminals, their arrest and rehabilitation but none on victims' rights.

"Victims sometimes lose their homes, fall permanently into debt and never become productive or secure," he said. Worse still, they also pay their own medical bills, lawyers' fees and queue for hours in crowded courtrooms. Many of them get unemployed as victims of crimes and eventually turn to crime.

PHILIPPINES

## ARTICLE DETAILS HUMAN RIGHTS VIOLATIONS

HK221038 Quezon City ANC PAHAYAGANG MALAYA in English 13 Jan 85 p 2

[Text] The Task Force Detainees of the Philippines (TFDP) has recorded at least 114 cases of persons believed "salvaged" (summarily executed) during the rash of human rights violations involving military men in Luzon last year.

The TFDP report said there were also 29 cases of disappearances, 16 of them in Cagayan Valley, and five cases of massacres where 25 people were killed.

The TFDP-LUZON submitted the documented cases before TFDP Chairperson Sister Mariani Dimaranan. They include forced evacuation, 8; rape, 3; fake surrenders, 10; harassment, 12; and looting, 300.

The TFDP-LUZON reported that there are 166 political detainees under military custody in the island, excluding those detained in Metro Manila detention centers. The breakdown of cases follows: Northern Luzon, 26; Cagayan Valley, 63; Central Luzon, 15; Southern Tagalog, 42; and Bicol, 20.

Of the 122 political detainees under military custody in 1983, only 26 were released. However, for the past 12 months, the military reportedly arrested 366 persons and released a total of 286 before January this year.

CSO: 4200/448

PHILIPPINES

BILL FILED AGAINST HUMAN SETTLEMENTS DEPUTY MINISTER

HK221509 Manila BUSINESS DAY in English 22 Jan 85 p 20

[Text] Resolution No 320 has been filed by Luis Villafuerte (Unido-Camarines Sur) and Hernando Perez (Unido-Batangas) urging the Batasang Pambansa to determine the accountability of MP and deputy minister of human settlements Jose Conrado Benitez for making untruthful statements in the Batasan Question Hour.

The resolution also called on the Batasan to expel Venitez from the Batasan; to refer findings of the Batasan investigation committee to the Tanodbayan or the appropriate fiscal's office for the filing of appropriate criminal charges against Benitez; and for the committee to submit to the assembly the remedial legislation order so that the acts allegedly committed by Benitez be prevented from recurring in the future.

The resolution charged Benitez with "scandalous conduct and financial anomalies and irregularities, wanton breach of auditing rules and regulations, culpable violation of the Constitution, gross mismanagement, unauthorized or illegal disbursement or diversion of public funds and ... acts punishable under the anti-graft and corrupt practices act."

South for comment, Benitez said, "the resolution calling for my investigation has been referred to the committee that should rightfully consider it. All I can say at this time is that I will be prepared to present my side to the committee when it considers the resolution."

CSO: 4200/448

PHILIPPINES

BILL PROPOSED DEFERRING GENERALS' MANDATORY RETIREMENT

HK221451 Manila BUSINESS DAY in English 22 Jan 85 p 20

[Text] A Kilusang Bagong Lipunan [KBL] MP yesterday proposed the extension services of compulsory retired members of the Armed Forces of the Philippines.

MP Antonio Diaz (KBL-Zambales) in Parliamentary Bill No 3916, proposed that officers be granted several more years of additional service before they are automatically retired. He proposed one more year for those who are retiring in the ranks of brigadier general, two years for major general, three years for lieutenant general, and four years for general.

He also said that the president should be solely authorized to extend the services of AFP chief of staff since it is a "position of trust and confidence."

A group of KBL MPs also filed a resolution directing the Batasan committee on transportation to investigate reported irregularities in the granting of licenses or franchises to favored transportation companies and individuals.

Meanwhile, the Batasan committee on foreign affairs, in its meeting yesterday, adopted rules to govern the procedures on the concurrence in treaties by the Batasan.

Minister of Foreign Affairs Arturo Tolentino chairs the committee.

The rules provide a procedure for the ratification of treaties similar to the passage of bills and resolutions. After three readings by the Batasan, these were approved.

The committee reports its action on the treaty through a "resolution of concurrence."

CSO: 4200/448

PHILIPPINES

BRIEFS

**PEREZ ON OPPOSITION**--Political Affairs Minister Leonardo Perez yesterday [21 January] labeled as ridiculous the claim of Liberal Party President Jovito Salonga that President Marcos' government was at a terminal stage. Perez said the word terminal best suits the majority of old leaders in the various opposition groups who have worked hard to prevent the unity of their party. Perez added that it is politicians who have put the opposition party in an acute terminal stage because of their discredited and outmoded concepts of government and their thirst for power. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 21 Jan 85]

**13 KILLED IN VIOLENT INCIDENTS**--Thirteen persons were killed, including a New People's Army commander and a policeman, in a spate of violent incidents in various parts of the country over the weekend. An army spokesman said an NPA commander and three of his companions were killed and two were captured in Calamba, Misamis Occidental, in a clash with elements of the 4th Infantry Division. In Tagoloan, in neighboring Misamis Oriental Province, three NPA guerrillas were killed in a clash with Army Rangers, and two were killed by paramilitary constabulary soldiers in Davao City. In Lanao Del Sur a suspected cattle rustler was killed in a shoot-out with police, while in Cebu City a policeman was shot dead by men believed to be NPA rebels. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 21 Jan 85]

**RAID ON MISSION**--Acting AFP [Armed Forces of the Philippines] Chief of Staff Lt Gen Fidel Ramos yesterday [23 January] ordered an investigation of the 14 January raid by the military on the St. Alfred mission in Tambuan, Besao, Mountain Province. General Ramos immediately acted on the complaint of Bishop Bob Longuid of the Episcopal Church for the Northern Philippine Diocese that soldiers from the 1st General Headquarters Battalion conducted the raid without any search warrant. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 23 Jan 85]

**NPA AMBUSHERS PURSUED**--One of the suspects in the near-fatal ambush of PC [Philippine Constabulary] Region 10 commander general Pedrito de Guzman and 4 of his security escort is now under military custody in Cagayan de Oro City. The still unidentified suspect is being questioned in connection with his alleged participation in the ambush believed perpetrated by the (sparrow) unit of the NPA [National People's Army] liquidation squad. Crack constabulary and army troopers are still in hot pursuit of the ambushers. Meanwhile, General De Guzman and another wounded officer are now being treated at Clark Air Force Base hospital in Pampanga. The latest medical bulletin states that de Guzman's condition has remained stable. [Text] [Quezon City RPN Television Network in English 1100 GMT 22 Jan 85]

**MARCOS HITS DOMESTIC, FOREIGN CRITICS**--Malacanang said today President Marcos criticized his critics here and abroad for failing to assess accurately the status of the Philippine economy. The president said these criticisms were obviously made without any knowledge of the approval by the IMF of the government's letter of intent to implement measures that stabilize the economy. According to the chief executive, these stabilization measures will be pursued tenaciously with the help of the IMF and the country's foreign creditor banks. President Marcos pointed out the government has already taken vigorous measures to control inflation, reduce fiscal deficit, and restrain monetary expansion in line with its letter of intent. [Text] [Quezon City RPN Television Network in English 1100 GMT 23 Jan 85]

**TEACHERS PICKET U.S. EMBASSY**--There was a picket at the U.S. Embassy. Private school teachers, administrators, employees and students picketed the U.S. Embassy this afternoon to protest what they called foreign intervention in Philippine education. The picket was spearheaded by the private educators and non-teaching university personnel group and the private educators for action and change. The leaders of the two organizations assailed the U.S. dominated World Bank for intervening in the country's educational system through loan grants. More than 50 demonstrators took part in the rally. [Text] [Quezon City RPN Television Network in English 1100 GMT 24 Jan 85]

CSO: 4200/448

SINGAPORE

**OFFICIALS MEET INAYAMA DELEGATION**

0W300213 Tokyo KYODO in English 0058 GMT 30 Jan 85

[Text] Singapore, Jan 3, KYODO--Singapore leaders have asked a high-powered Japanese business mission for expansion of Japan's help to promote the high technology industry of the island nation.

The request was made Tuesday when the 40-member mission, led by business leader Yoshihiro Inayama, met separately with Singapore Finance Minister Tony Tan, minister for National Development Teh Cheong Wan and other officials, delegation sources said.

Inayama, president of the powerful Federation of Economic Organizations (Keidanren), is leading the mission to South Asian countries, which has already visited Malaysia and Indonesia.

Tan called on Japan to accelerate the transfer of Japan's advanced technology to Singapore and to cooperate in promoting exports of Singapore's high-tech products, according to the sources.

Cheang in his meeting asked for cooperation of Japanese firms with a plan to set up a training center aimed at sophisticating the country's construction technology, they said.

The Japanese delegates promised to convey the Singapore request to Japan's construction companies.

Singapore's desire to introduce robots to facilitate its factory automation was also among the topics at the series of talks Tuesday, according to the sources.

CSO: 4200/465

## THAILAND

## MILITARY, INTELLIGENCE SOURCES ON POSSIBLE U.S. BASES

Bangkok SU ANAKHOT in Thai 29 Nov 84 pp 12-15

[Article: "Gulf of Thailand Opens to Welcome U.S. Ships; New ASEAN Base?"]

[Text] Developments in the ASEAN region, which is one of the important global strategic points, are increasingly being scrutinized by military experts because increases in the military forces of the superpowers in the ASEAN region have been highlighted when Vietnam entered into its unjust war in Cambodia by persuading the Soviets to get involved as a full ally.

Developments indicate to the West the unstable situation that has emerged, not only with the increase of Soviet naval strength in Asia, but with the allies' present depressing problem, namely, the political problems of the Philippines, the U.S. base at Subic Bay is beginning to have problems and the trends of President Marcos to lose power both with regard to the opposition movement as well as his health. The end of the Marcos dynasty could come at any moment.

"The original cause [of rumors that the United States is returning to Thailand] was an incident at the U.S. embassy. [American] housewives and personnel here were complaining a lot that tax free items are expensive with a limited selection, so they petitioned the embassy and related persons. Later, the military counselor, the military attache or someone like that volunteered to fly in PX goods. Administrative officers then make a list of the PX goods.... This might be the cause of the rumor that America is coming back."

The military intelligence source confirmed that the return of the United States to Thailand would be difficult, but from a strategic perspective, it would be possible. The Thai side itself might want the return of the Americans more than the Americans themselves intend to.

The news about Thailand agreeing to be the front line country and leading United States military bases to be set up in Thailand in order to consolidate military forces in the name of ASEAN is beginning to spread like wild fire. From a military strategic viewpoint, it is the same as opening the country to involvement in the cold war, which can create a hot war at any time.

"Only worthless and low ranking soldiers think that way...and so do political soldiers who have never been in actual combat and lack real experience. When they have never been in combat, they just think that when America comes in that everything will be just fine. A former general is openly expressing his opinions with his analysis and has stated that the issue of the American military moving its base from the Philippines to Thailand might just be for economic reasons. This is because if a U.S. military base is in the country, it will directly impact the Thai economy because investment and economic activities will also increase.

#### Military Balance

The Soviet Pacific fleet is one of the three existing Soviet fleets and from the point of view of tonnage weight and number of submarines, the fleet in this region represents almost half of the [total Soviet] navy, along with a lot of military forces at a time when the majority of the existing U.S. naval forces in this region are the more than 8,000 marines stationed here.

There are a total of 80 Soviet large battleships ships, at least 30 submarines armed with multiple nuclear warheads, at least 90 attack submarines and 30 strategic "Backfire" bombers.

Military requirements made the Soviets search for a long time for a deep water port and naval base for ship maintenance and logistics until Vietnam opened the country to pull in financial assistance from the Soviets for their oppressive war in Cambodia and they have used the Soviets as a counterweight to China. Consequently, the Soviets luckily got their chance [for a deep water port and naval base in the region].

"The Security Council indicated that the fact that Vietnam misjudged the balance of power by pulling in the Soviets now is an internal problem because the attitude of the Soviets entering Vientam is not that of a friend; on the contrary, its entry is exactly the same as that of the Americans entering Vietnam, namely, that once in, the Soviets act big and go over the heads of local soldiers. But the Vietnamese are accustomed to this, because the Westerners came in and occupied the entire country during the war era." One army intelligence officer commented to SU ANAKHOT that relations between a superpower and a minor power such as Vietnam have not been very smooth.

#### Expansionism

Considering the strategic deployment of troop strength is not something easy, and must be viewed systematically. Right now the United States itself is firmly stretched out across northern Asia in Korea, which worries the Soviets a lot. If there is an actual attack, it will surely lose to the United States because Japan has not been too friendly with the Soviets. The dispute about the border is an important obstacle causing the gap in relations between Russia and Japan.

The more Japan develops its arms and self-defense force, the more the Soviets fear it because they know that the military means and the advances in weapons high technology will be manufactured to feed the West by Japan itself.

Therefore, Soviet expansionism is a necessary matter. Russia has a strategic military problem, which is the lack of direct access to a warm water port. This has been a problem all along in Russian history until they got Cam Rahn in Vietnam, so it has succeeded in getting Soviet strategic sea routes almost around the world.

As for the area bordering on China, around 500,000 Soviet troops are stretched across the territory for strategic reasons. If a war occurs with mid-range and intercontinental nuclear weapons, [the Soviets] are right next to the neck and throat of China.

#### The United States

Strategically, Asia is the region in which the United States has experienced the most problems due to its geographic characteristics and because its national interest has been in Europe many, many more times than in Southeast Asia. If the United States has a high military interest in Asia, it is in Northeast Asia, where the deploying of troops is more suitable.

The past misfortune of the United States that is a painful lesson is that in the ASEAN region, the United States entered a divisive, limited war in Vietnam. Because a lot of the American soldiers died in a futile war without meaning like the Vietnam War, a tremendous resistance was generated.

Returning to build a military base in Thailand will surely create unavoidable waves of protest from its people and from Congress. Therefore, in spite of how much Thailand wants to give its territory to its American ally to build its base here, this is not as easy a matter as people think and it is not like in the past.

#### Heavy Soviet Diplomatic Attacks

There are continuous Indochinese diplomatic moves of which the Soviets are at the receiving end in this region. Therefore, now it is the time when the Soviets themselves might want very much to know the clear attitudes and feelings of the Thai people and what the Thai people think about the return of the United States.

So when the news circulating concerning the return of the United States to Thailand is multiplying widely, Soviet diplomats have special concerns. On the one hand, they are investigating sources of the news reports and on another hand, urgently they have taken off to scout out to measure the reaction in various circles concerning the opinions of the Thai people, Thai military and Thai Government about the return of the United States.

"The basic matter is well known that there are no actual, clear movements. There is also news from General Athit's side that he went and met with the [American] Pacific fleet commander and based on analyses, it is speculated that there will be another round of contacts for sure," a diplomatic source pointed out. Nevertheless, it has been analyzed that the United States, in order to be on the safe side, must make assessments of the situation in the Philippines. If Marcos falls, whether the military or civilian come to power, there might be a compromise on the military base issue.

However, the heavy Soviet diplomatic attack right now is not being done directly, but through small and big countries and also in the embassies of Soviet allies in Thailand, Europe and this region, also.

Strategically, fighting and deploying troops by Soviet surrogates are done ingeniously. It is estimated that with the Vietnamese troops in Laos and Cambodia, there would be a force of a million men in combination with Lao, Khmer and Vietnamese soldiers if there were a confrontation with Thailand in a real war.

The real problem is that the Soviets want a warm deep water port more than they want to create real confrontations because the battle on land is also a continuous problem that might lead to creating tensions at the world level.

#### **Thailand and the Bargain**

The present strategic thinking of Thailand stems from movements that are in the right direction in many aspects, starting with emphasizing the diplomatic role over the military role. The fact is that the Ministry of Foreign Affairs is not interfered with much by the military concerning important [international] issues.

"It is not certain what the military power grabber is thinking," one military man reasoned tentatively concerning the attitude of Thailand in bargaining on military power with neighboring countries now, which might change in the future.

The fact that Thailand operates on international political policies more than on deploying military forces and uses a "peace line" policy as a guide in the United Nations, makes Vietnam, which is using a military policy as a guide, fail and not get any results in the United Nations. Therefore, the pressures that Vietnam is exerting now are, namely, to make Thailand turn to a policy of an eye for an eye, a tooth for a tooth, so that Vietnam can cry for support from the Soviet camp and the free world camp.

But the fact is that Thailand has not fallen into the lure and trap that was set....

#### **Where will the base be?**

Sattahip is a deep water port, even though it is not outstanding like Cam Ranh, but there is equipment and a basic structure adequate [for it] to be an active military center. However, because Sattahip was so exploited by

the capitalists, it has no secrecy and has been completely destroyed, including underwater resources, which are very dangerous to access because of influential capitalists who have built large chemical factories. This makes it impossible for the navy to be able to have a secret location for keeping the military balance any longer.

Capitalists are creeping into Sattahip and the government has given a "green light" to develop the deep water port for rather commercial advantages. This is generating rumors that it is possible that the new sea port that will be built will be somewhere in Phuket or somewhere in the South.

"If you consider carefully the fact that if the United States goes and sets up a military base in the South, this will surely be advantageous to the local economy and politically to the military. It is true that it seems to be rather far from Bangkok, but it makes the naval military base, if it happens, situated in an important world strategic point, namely, this location, which covers well the strategic sea route area through [the Straits of] Malacca.

Nevertheless, in the midst of this news about the military base, it is speculated that social problems and crime are also waiting for the return of the foreign military base and these things have not been considered very much.

While preparations for the military base may be far away, but in the future, when the opportunity is more ripe and as long as the Soviets are still enforcing military policies like the one now, ASEAN might change into a military alliance.

And then the necessity for a joint allied naval military base and for the United States might be real, which will be perceived more clearly.

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INTERNATIONAL RELATIONS, TRADE AND AID

EMBASSY IN PHNOM PENH RECEIVES TET GOOD WISHES

BK261233 Hanoi Domestic Service in Vietnamese 0500 GMT 25 Jan 85

[Text] On the occasion of the Vietnamese new year, many party, state, and army leaders of Cambodia; representatives of Cambodian mass organizations, and representatives of Vietnamese residents in Phnom Penh called on the SRV Embassy in Cambodia to present Tet greetings to Vietnamese officials, specialists, and volunteer troops who are performing their international obligation in Cambodia.

Comrades Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense; Soy Keo, member of the KPRP Central Committee, vice minister of national defense, and chief of the General Staff of the KPRAF; and many officers of the PRK National Defense Ministry presented their Tet greetings to Vietnamese military specialists and units of the Vietnamese volunteer troops.

A delegation of the KUFNCD led by Mat Ly, member of the KPRP Central Committee, vice chairman of the National Assembly, and member of the KUFNCD Honorary Presidium; Comrade Men Sam-am, member of the KPRP Central Committee and chairman of the Central Propaganda and Education Commission; and many representatives of organizations, mass organizations, the diplomatic corps, and Vietnamese residents in Phnom Penh also called on the SRV Embassy to present their Tet greetings.

Ambassador Ngo Dien, his wife and many officials at the embassy warmly welcomed the Cambodian comrades and foreign diplomats who called on the embassy. On the same occasion, representatives of many organizations, mass organizations, and representatives of all strata of people in the capital city and localities throughout the country called on and presented Tet greetings to Vietnamese specialists and volunteer troops who are carrying out their international obligation in Cambodia.

CSO: 4209/187

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI MEETING MARKS INDIAN NATIONAL DAY

BK251724 Hanoi VNA in English 1644 GMT 25 Jan 85

[Text] Hanoi, VNA, Jan 25--A big mass meeting was held at the municipal theatre here tonight to mark the 35th anniversary of the Republic of India (January 21.)

The meeting was sponsored by the Vietnam Fatherland Front Central Committee [FFCC], the Vietnam Committee for Solidarity and Friendship with Other Peoples [VCSFOP] and the Vietnam-India Friendship Association.

In his opening speech, Dong Si Nguyen, alternate member of the Political Bureau of the Communist Party of Vietnam Central Committee and vice chairman of the Council of Ministers, praised the outstanding achievements obtained by the Indian people over the past 35 years and wished them still greater successes in national development under the leadership of President Zail Singh and Prime Minister Rajiv Gandhi. Dang Hoi Xuan, president of the Vietnam-India Friendship Association, said in the following speech that over the past 35 years, the talented, intelligent and creative Indian people have turned a once poor and backward India into an agriculturally and industrially developed country with increasingly high international prestige and position.

Nowadays, he said, India is capable not only of meeting its own major demands but also of assisting other nations in a number of economic, scientific and technical fields.

"Over the past 35 years," Dang Hoi Xuan continued, "the republic of India has been persistently pursuing the principles of peaceful coexistence and the nonaligned policy, actively struggling for equality in political and economic relations in the world, and for the removal of war threats and the prevention of the arms race. In its capacity as president of the Nonaligned Movement, India is a reliable mainstay of the movement."

He praised the late Indian Prime Minister Mrs I. Gandhi's active contributions to the traditional friendship and the great solidarity between the Vietnamese and Indian nations.

He also thanked the Indian Government and people for their heart-felt and valuable support to the Vietnamese people in their national construction and

defence. He reiterated the Vietnamese people's determination to do their best to consolidate and develop the solidarity and cooperation between the two nations in the common struggle for peace and stability in Asia and the world as a whole, and for the noble goals of the Nonaligned Movement.

The presidium of the meeting also included Hoang Vinh Giam, president of the VCSFOP; Nghiem Xuan Yem, member of the presidium of the FFCC; Nguyen Ngoc Triu, minister of agriculture; secondary education; Phoang Anh Huan, vice-minister for foreign affairs, Lieutenant-General Vu Xuan Chiem, vice-minister of national defence; and Indian charge d'affaires A.I. Sadasiva Sivaswami.

CSO: 4200/464

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

COOPERATION PACT SIGNED--Hanoi, VNA, 28 Jan--A scientific and technical cooperation plan for 1985 between Vietnam and Czechoslovakia has been signed in Hanoi. This cooperation plan is a result of the 19th session here from January 9-18, of the scientific and technical cooperation sub-commission under the Vietnam-Czechoslovakia joint commission for economic-scientific-technical cooperation. At this session, the two sides also discussed the orientation for bilateral scientific and technical cooperation in the 1986-90 period. During its stay in Vietnam, the Czechoslovak delegation, led by Minister K. Lobl, president of the Czechoslovak section of the sub-commission, paid a working tour of a number of production and research institutions in Hanoi and other localities. [Text] [Hanoi VNA in English 1610 GMT 28 Jan 85]

SRV DELEGATION IN LIBYA--General Vo Nguyen Giap, vice chairman of the Vietnamese Council of Ministers, arrived in Tripoli yesterday evening accompanied by a delegation on a visit to the Jamahiriya. In a statement, Gen Giap said: My delegation and I are happy to visit the Socialist People's Libyan Arab Jamahiriya, one of the steadfast strongholds against colonialism and world imperialism. He added: I am confident that my visit will positively contribute to bolstering the ties of friendship and cooperation between the two countries--the two friendly countries--in various fields. [Text] [Tripoli Voice of Greater Arab Homeland in Arabic 0215 GMT 29 Jan 85]

CSO: 4604/25

PARTY ACTIVITIES AND GOVERNMENT

COUNCIL OF MINISTERS SETS UP SPORTS COMMITTEE

BK261421 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jan 85

[Text] The SRV Council of Ministers has issued a decision to establish a steering committee for the first national physical education and sports congress to be chaired by Vo Van Kiet, vice chairman of the Council of Ministers. Ta Quang Chien, chief of the Sports and Physical Education General Department was appointed vice chairman of the committee. Members of the committee include Hoang Xuan Tuy, vice minister of higher and vocational education; Luong Ngoc Toan, vice minister of education; (Vu Khac Lien), vice minister of culture; Ngo Thiet Thach, vice minister of finance; Mai Van Muon, deputy chief of the Sport and Physical Education General Department; Nguyen Huu Tai, deputy head of the Education Department of the VPA High Command; Nguyen Thi Hang, secretary of the Ho Chi Minh Communist Youth Union Central Committee; Nghiem Chuong Chau, vice chairman of the Hanoi Municipal People's Committee; and Do Duty Lien, vice chairman of the Ho Chi Minh City People's Committee.

The Sports and Physical Education General Department is a standing organization of the steering committee. All representatives of sectors and mass organizations appointed as members of the steering committee are responsible for carrying out tasks under their authority to ensure success for the work of the steering committee.

CSO: 4209/187

## PARTY ACTIVITIES AND GOVERNMENT

### DO MUOI VISITS VUNG TAU-CON DAO 21-26 JAN

BK261605 Hanoi Domestic Service in Vietnamese 0500 GMT 26 Jan 85

[Text] From the 1st to the 4th day of the Year of the Ox Tet [21-26 January], Comrade Do Muoi, member of the party Central Committee and vice chairman of the Council of Ministers inspected the new year production situation and presented Tet greetings to workers, cadres, soldiers, and people of the Vung Tau-Con Dao Special Zone, to various energy industry establishments in Vung Tau City and Dong Nai Province, and to the Tourist Corporation specialized in providing services to the oil and gas sector. He was accompanied by Comrade Nguyen Hao, alternate member of the party Central Committee Political Bureau and director of the Oil and Gas General Department.

During his stay in the Vung Tau-Con Dao Special Zone, Comrade Do Muoi heard the leading comrades of the oil and gas sector and the joint petroleum enterprise report on the development of the building of the Vung Tau oil and gas service area, and the results of exploration for oil on the continental shelf in 1984. Addressing a new year celebration gathering of workers and cadres of the oil and gas sector as well as those sectors participating in the building of the oil and gas service area, Comrade Do Muoi, on behalf of the party Central Committee and the Council of Ministers, warmly praised the outstanding achievements of the joint petroleum enterprise and of other units which last year succeeded in discovering oil on the continental shelf.

He said: The recent success in discovering oil has marked the remarkable progress in the exploration and discovery of oil and gas of the workers and cadres of the Vietnamese and Soviet oil and gas sectors. Our party and state have highly appraised the exploits jointly achieved by the enterprise and by various units and urged them to strive harder to score new achievements. The task for oil exploration and discovery for 1985 and the ensuing years will be very heavy. Whether our country's industrialization undertaking is achieved quickly or not will depend chiefly on the outcome of oil exploration.

With cooperation from the Soviet Union, we must strive to shorten the time needed for oil exploration and for estimating the size of oil deposits for early exploitation and quickly build our country's embryonic oil and gas sector.

In 1985--a year with many national anniversary celebrations--the oil and gas sector and the joint petroleum enterprise must struggle persistently to achieve extraordinary progress in oil exploration and discovery and in the building of material-technical bases. This is to create a momentum for the implementation of the oil and gas exploitation plans for ensuing years and to quickly build the oil and gas sector into a leading industrial sector of the national economy.

Comrade Do Muoi told the workers and cadres of the oil and gas sector that, faced with their current heavy tasks, they must determine their own position, arm themselves with a revolutionary offensive spirit and a will to achieve self support and self reliance, and strive to learn from Soviet experts so that they can achieve mastery over science and technology and fulfill all their assigned missions in an outstanding manner.

Along with satisfactorily carrying out its present tasks, the sector must pay attention to providing training and refresher courses to its contingent of technical cadres and workers and must prepare a contingent of workers and cadres capable of handling its offshore operations.

All related sectors must provide active cooperation to the oil and gas sector so it can carry out its assigned missions satisfactorily. This will contribute to accelerating the pace of oil exploration and the preparations for oil exploitation in the years to come.

Comrade Do Muoi availed himself of this opportunity to express his best regards and sincere gratitude to the Soviet friends working with the joint enterprise for having done their utmost to join with the workers and cadres of the Vietnamese oil and gas sector in achieving initial results in their oil exploration.

Comrade Do Muoi had a working session with and presented Tet greetings to the Southern Electric Power Corporation in Ho Chi Minh City. After commending the corporation for its 1984 achievements in exceeding all its planned targets and thus contributing to promoting the growth of various national economic sectors, Comrade Do Muoi said: Electricity is a strategic sector of the national economy. Given this, the Southern Electric Power Corporation and the electricity sector must satisfactorily carry out their managerial work, especially technical management, trying to minimize technical breakdowns, apply the new mechanism of management, improve planning skills, and link economic accounting with industrial performance if economic results and economization are to be achieved. Satisfactorily carrying out the management and distribution of electricity, reducing inconvenience, and doing away with all negative phenomena through the management and distribution of electricity amount to contributing to improving socio-economic management. Active efforts must be made to train the contingent of cadres and workers so that they can have a good outlook and better professional skills. This is to meet requirements for the development of the sector in the years to come.

On arriving for a working session with and presenting Tet greetings to the workers and cadres at the Tri An hydroelectric plant construction site on the Dong Nai River, Comrade Do Muoi made an on-site inspection of the developments of the building of the Tri An bridge, the foundations of the Cham dam, and a key machinery plant--all of which are the principal construction items of the Iri An hydroelectric project. Comrade Do Muoi commended workers at the Tri An hydroelectric plant construction site for having handled a large amount of work over the past year and for having successfully ensured the construction scheduled for such important items as a main dam, the foundations for the plant, the Tri An bridge, and the 220-kilovolt Dong Nai-Tri An power line.

After pointing out important construction targets to be achieved this year so as to ensure the introduction of Machinery Group No. 1 into operation by 1987, Comrade Do Muoi urged those responsible for this project site and all related ministries to determine satisfactorily a general construction schedule and a schedule for each particular construction items. On this basis, they must prepare various means such as equipment, and processed and raw materials in order to ensure that construction activities are carried out neatly. In the period ahead, they must make careful preparations for the building of the concrete foundations for the plant and the Cham dam in the 3d quarter of this year and must concentrate on promptly completing preparatory work for the building of work sites, roads, and electricity and water networks. While carrying out construction, they must ensure the uniformity of construction items so as to facilitate the general construction efforts, reduce construction cost, and economize on the use of supplies and raw materials. They must satisfactorily protect equipment and materials, and must urgently train a contingent of cadres and workers for operating the plant in the future.

Comrade Do Muoi said: This is a major project and its construction schedule is short. That is why particular attention must be paid to ensuring quality and safety. It is necessary to race against time in learning from the Soviet experts so that when this project is completed, we will have a contingent of cadres and workers capable of handling the building of other hydroelectric projects in the south.

CSO: 4209/187

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

PARTY BADGES AWARDED--On the occasion of the 55th founding anniversary of the CPV--3 February 1930-3 February 1985--the party Central Committee Secretariat has, in recognition of the services rendered by party members with long years of revolutionary activities, decided to award party badges to long-time party members. There are two types of badges. One is for party members with 40 or more years of party membership and the other for those with 50 or more years of party membership. On the founding anniversary of the party every year, party badges will be awarded to living party members with at least 40 or 50 years of party membership. [Text] [Hanoi Domestic Service in Vietnamese 2300 GMT 26 Jan 85]

CSO: 4209/187

NHAN DAN URGES INCREASED GRAIN PRODUCTION

BK260812 Hanoi NHAN DAN in Vietnamese 20 Dec 84 pp 1, 4

[Unattributed article: "Grain Production, the Foremost Economic Front"]

[Excerpts] The fifth party congress set four general socioeconomic objectives for the 1980's in the initial stage of transition to socialism. The first is: "To meet the most urgent and essential demands, gradually stabilize and further improve the people's material and cultural lives, primarily and steadily resolve the problems of grain and food products, and better meet demand for clothing, education, medical care, housing, movement, child care, and other requirements." In this stage, agriculture is the foremost economic front in a structure that closely combines agriculture, consumer goods industry, and heavy industry. Production of grain and food products is the central task of agriculture.

We just concluded the 4th year of food production in the 1980's with an increase in annual production volume from 200,000 to 300,000 metric tons over last year; however, that was the year in which the state plan norm was not met. In the past 4 years, the increase was once 1.8 million metric tons over the preceding year. On the average, the annual increase was approximately 700,000 metric tons at the rate of 5 percent every year. Compared to the average annual increase of 220,000 metric tons at the rate of 1.8 percent per year under the last 5-year plan, the increases in the past 4 years were rather high. Compared to the average annual increase of 3 percent in the world, the increases we achieved during the first years of the 1980's in the circumstances of serious imbalances were very encouraging. However, if compared to the requirements of stabilizing and enhancing the people's livelihood in a country in which two strategic tasks must be done simultaneously and in which the population increases by 1.2 million annually, we can see very clearly that we must exert much more effort for a long time to ensure that grain production can be developed at a quicker and more consistent rate.

It is useful to analyze the situation of food production in 1984 and in the past 4 years (1981-84) to understand more thoroughly the general and economic lines of the party in the period of transition and to continually surge forward to implement the tasks of 1985 and subsequent years.

## Achievements of a Hard and Dangerous Struggle

If agriculture were said to be a bioeconomic-technical sector much dependent on natural conditions, especially in the field of grain and short-term crop cultivation, it would be nothing new. This characteristic has determined the relative instability of this important production sector even in countries with strong material and technical bases. It also indicates the very important role of production control in each ecological environment, under irregular weather conditions of each locality and of each production installation and each worker.

In our country, natural disasters often occur and threaten the stability of food production. Although weather has its own law, it sometimes develops abnormally. In generally reviewing the weather situation in the past quarter of century as of 1983 in our country, it is realized that natural disasters have occurred every year. Serious disasters occurred in half of these years and the most serious ones were recorded in 5 years (25 percent of the years). An average of six typhoons and tropical depressions hit our country, much affecting our production. One year, there were up to 11 typhoons. In those 25 years, rain fell continuously for 3 months in 5 years, there were 2 very hot summers and 3 very cold winters, and there was serious drought in 5 years. For this reason, and with a view to securing initiative in production, planners usually anticipate 2 years of hard weather in every 5 years, and people in charge of production normally formulate several different projects to cope with abnormally changing weather such as a cold winter, a warm or cold spring, and an early, later, or heavy rainy season.

In 1984, natural disasters were particularly serious and widespread from the north to the south, covering all 3 rice crop seasons. In the beginning of the winter-spring crop season, it was cold for a very long time in the northern provinces down to Phu Khanh, killing 210,000 hectares of rice seedlings, 630 hectares of newly transplanted seedlings, and 34,000 oxen, affecting the following crop season. In the autumn, heavy flooding came early in the Mekong Delta, surpassing by 2 centimeters the flood level of 1978, the year in which the flood level was the highest in 10 years. We lost about 120,000 hectares of 10th-month rice, and the rice yield from 70,000 other hectares was also reduced. Typhoons Nos 7, 8 and 9 devastated some areas in central Vietnam and caused record heavy rain in early November in some of the Red River Delta provinces, with a rainfall of 500 millimeters on 1 day of the dry season. We have not mentioned the widespread situation of insects in several regions.

## Grain Production and the People's Diet

Grain production in our country must be accelerated primarily to meet the demands of 59 million people. This is an "urgent and difficult task" as indicated by General Secretary Le Duan.

Although we achieved some progress in the past few years, the annual per capita ration was only 290 kilos. The per capita ration in advanced countries was 360 kilos and 202 kilos in developing countries. Our per capita

ration was already higher than that of developing countries but still lower than that of advanced countries in the world, which means we are bordering on sufficiency and starvation. Accelerating grain production in our country is a very difficult and long strategic task. In 1984, grain production was more than 17 million metric tons, an increase of about 200,000 to 300,000 metric tons over 1983, despite several difficulties. This was a great effort. However, because grain production was not abundant, we use it up in each crop season, while losses were mainly incurred in the 10th-month crop season, the people's life in some regions in the pre-harvest season would still be very difficult.

The grain problem must be properly raised due to its importance. Many party-state resolutions have stressed grain production as the central task and primary economic front of agriculture.

Grain production is always the central task that decides the stability of socioeconomic development. This is not the task of agriculture alone but of all our party members, and people. It is the duty of not only the peasantry but also workers and socialist intellectuals.

The struggle on the grain production front in 1984 and the past 4 years was hard and dangerous. Owing to our effort to develop the general strength, important achievements were scored, opening many fine prospects. However, the level of our achievements is still low, our step forward is not really steady, and the struggle is still long. We should not, therefore, be subjective and complacent. Faced with the land-grabbing war waged by the Chinese reactionaries in the northern border area of our country, we must remain constantly ready to cope with all circumstances. Meanwhile, natural disasters often occur, the grain problem has become really a matter of life and death for the country and requires great effort of all our party members, troops and people. With the integrated strength of our collective mastery, we can overcome difficulties, accelerate grain production, implement the objectives set by the fifth party congress for 1985, and contribute to advance agriculture a step further to large scale socialist production.

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